JUDGE OETKEN

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JEROME STONE, Individually and On Behalf of All Others Similarly Situated, Plaintiff, vs. AGNICO-EAGLE MINES LTD, SEAN BOYD, EBERHARD SCHERKUS, AMMAR AL-JOUNDI, and DAVID GAROFALO, Defendants.	Case No: 11 CIV 7968 CLASS ACTION **COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS** JURY TRIAL DEMANDED

NOV - 7 2011
CASHIERS

By and through his undersigned counsel, Plaintiff Jerome Stone ("Plaintiff") alleges the following against Agnico-Eagle Mines LTD ("Agnico-Eagle" or the "Company") and certain of the Company's executive officers and directors. Plaintiff makes these allegations upon personal knowledge as to those allegations concerning Plaintiff and, as to all other matters, upon the investigation of counsel, which included, without limitation: (a) review and analysis of public filings made by Agnico-Eagle and other related parties and non-parties with the U.S. Securities and Exchange Commission ("SEC"); (b) review and analysis of press releases and other publications disseminated by certain of the Defendants and other related non-parties; (c) review of news articles, shareholder communications, and postings on Agnico-Eagle's website concerning the Company's public statements; and (d) review of other publicly available information concerning Agnico-Eagle and the Individual Defendants.

I. NATURE OF THE ACTION

1. This is a federal securities class action against Agnico-Eagle and certain of its officers and/or directors for violations of the federal securities laws. Plaintiff brings this action on behalf of all persons or entities that purchased Agnico-Eagle securities between April 29,

2010 and October 19, 2011, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act"). The Exchange Act claims allege that Defendants engaged in a fraudulent scheme to artificially inflate the Company's stock price. As a result of the fraud described below, the Company has lost a substantial portion of its value.

2. Agnico-Eagle engages in the exploration, development, and production of mineral properties in Canada, Finland, and Mexico. The Company primarily explores for gold, as well as silver, copper, zinc, and lead. Agnico-Eagle's flagship property includes the LaRonde mine located in the southern portion of the Abitibi volcanic belt, Canada. The Company was founded in 1953 and is based in Toronto, Canada.

3. Plaintiff alleges that, throughout the Class Period, Defendants failed to disclose material adverse facts regarding the Company's overall operational and financial condition and well-being resulting from significant problems in the Company's mining operations and gold production at its Goldex mine in Val d'Or, Quebec. Defendants' failure to disclose these problems during the Class Period rendered Defendants' statements concerning the Company's financial condition and future prospects materially false and misleading.

4. Due to Defendants' course of conduct, the Company, among other things, was forced to announce on October 19, 2011 that it is suspending mining operations and gold production at the Goldex mine, effective immediately. The Company's announcement cited the receipt of an opinion from a second rock mechanics consulting firm that recommended that underground mining/ operations be halted until the situation is investigated further. This announcement caused the Company's stock price to plummet over 18% on unusually heavy trading volume.

5. Defendants' wrongful acts, and false and misleading statements and omissions, have caused a precipitous decline in the market value of the Company's stock. Plaintiff and other Class members have suffered significant losses and damages.

II. JURISDICTION AND VENUE

6. This action arises under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b 5).

7. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1307, and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

8. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section 27 of the Exchange Act. Agnico-Eagle's securities actively trade on the New York Stock Exchange in this District.

9. In connection with the acts and omissions alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

III. PARTIES

A. Plaintiff

10. Plaintiff purchased the publicly traded Agnico-Eagle securities at artificially inflated prices during the Class Period and has been damaged thereby.

B. Defendants

i. The Company

11. Defendant Agnico-Eagle is a Canadian corporation with principal executive offices located at 145 King Street East, Suite 400, Toronto, ON M5C 2Y7.

ii. The Individual Defendants

12. Defendant Sean Boyd ("Boyd") was, at all relevant times, the Vice-Chairman and Chief Executive Officer and a director of Agnico-Eagle. Mr. Boyd has been with Agnico-Eagle since 1985. Prior to his appointment as Vice-Chairman and Chief Executive Officer in December 2005, Mr. Boyd served as President and Chief Executive Officer from 1998 to 2005,

Vice-President and Chief Financial Officer from 1996 to 1998, Treasurer and Chief Financial Officer from 1990 to 1996, Secretary Treasurer during a portion of 1990 and Comptroller from 1985 to 1990.

13. Defendant Eberhard Scherkus ("Scherkus") was, at all relevant times, the President and Chief Operating Officer and a director of Agnico-Eagle. Mr. Scherkus has been with Agnico-Eagle since 1985. Prior to his appointment as President and Chief Operating Officer in December 2005, Mr. Scherkus served as Executive Vice-President and Chief Operating Officer from 1998 to 2005, as Vice-President, Operations from 1996 to 1998, as a manager of Agnico Eagle LaRonde Division from 1986 to 1996 and as a project manager from 1985 to 1986.

14. Defendant Ammar Al-Joundi ("Al-Joundi") was, at all relevant times, the Senior Vice-President and Chief Financial Officer of Agnico-Eagle. Mr. Al-Joundi joined Agnico-Eagle in 2010.

15. Defendant David Garofalo ("Garofalo") was the Senior Vice-President, Finance and the Chief Financial Officer of Agnico-Eagle until his departure from the Company in July 2010.

16. Defendants Boyd, Scherkus, Al-Joundi and Garofalo are collectively referred to herein as the "Individual Defendants."

17. Agnico-Eagle and the Individual Defendants are referred to herein as "Defendants."

18. During the Class Period, the Individual Defendants, as senior executive officers and/or directors of Agnico-Eagle, were privy to confidential, proprietary and material adverse non-public information concerning Agnico-Eagle, its operations, finances, financial condition and present and future business prospects via access to internal corporate documents, conversations and connections with other corporate officers and employees, attendance at

management and/or board of directors meetings and committees thereof, and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

19. The Individual Defendants are liable as direct participants in the wrongs complained of herein. In addition, the Individual Defendants, by reason of their status as senior executive officers and/or directors, were "controlling persons" within the meaning of §20(a) of the Exchange Act and had the power and influence to cause the Company to engage in the unlawful conduct complained of herein. Because of their positions of control, the Individual Defendants were able to and did, directly or indirectly, control the conduct of Agnico-Eagle's business.

20. The Individual Defendants, because of their positions with the Company, controlled and/or possessed the authority to control the contents of its reports, press releases and presentations to securities analysts and through them, to the investing public. The Individual Defendants were provided with copies of the Company's reports and publicly disseminated documents alleged herein to be misleading, prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Thus, the Individual Defendants had the opportunity to commit the fraudulent acts alleged herein.

21. As senior executive officers and/or directors and as controlling persons of a publicly traded company whose securities were, and are, registered with the SEC pursuant to the Exchange Act, and were traded on the NYSE and governed by the federal securities laws, the Individual Defendants had a duty to disseminate promptly accurate and truthful information with respect to Agnico-Eagle's financial condition and performance, growth, operations, financial statements, business, products, markets, management, earnings, and present and future business prospects, to correct any previously issued statements that had become materially misleading or

untrue, so the market price of Agnico-Eagle's securities would be based on truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

22. The Individual Defendants are liable as participants in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Agnico-Eagle's publicly traded securities by disseminating materially false and misleading statements and/or concealing material adverse facts.

IV. <u>SUBSTANTIVE ALLEGATIONS</u>

A. <u>Background of Agnico-Eagle</u>

23. Agnico-Eagle is a Canadian-based international gold producer with mining operations in northwestern Quebec, northern Mexico, northern Finland and Nunavut and exploration activities in Canada, Europe, Latin America and the United States. The Company's operating history includes over three decades of continuous gold production primarily from underground operations. Since its formation on June 1, 1972, the Company has produced almost 6.5 million ounces of gold.

24. According to the Company's 2010 Annual Report filed on Form 20-F with the SEC on March 28, 2011, Agnico-Eagle's strategy is to focus on the continued exploration, development and expansion of its properties, all of which are located in politically stable jurisdictions. The Company has spent approximately $2.2 billion on the development of five new mines over the last four years. Through this development program, the Company transformed itself from a regionally focused, single mine producer to a multi-mine international gold producer with six operating, 100% owned mines.

25. The Company operates through four segments: Canada, Europe, Latin America and Exploration. The Canadian Segment is comprised of the Quebec Region and the Nunavut Region. The Quebec Region includes the LaRonde Mine, the LaRonde Mine extension project,

the Goldex Mine and the Lapa Mine, each of which is held directly by the Company. In 2010, the Quebec Region accounted for 47% of the Company's gold production, comprised of 16% from the LaRonde Mine, 19% from the Goldex Mine and 12% from the Lapa Mine. The Goldex Mine is 60 kilometers east of the LaRonde Mine, and the Lapa Mine, the Company's highest grade metals mine, is 11 kilometers east of the LaRonde Mine. According to the Company's 2010 Annual Report, the synergies between these sites contribute to the Company's status as a low-cost producer. In 2011, the Company anticipates that the Quebec Region will account for 40% of the Company's gold production, of which 13%, 16% and 11% of the Company's gold production will come from the LaRonde Mine, the Goldex Mine and the Lapa Mine, respectively. The Company acquired 100% ownership of the Goldex Mine in December 1993, commenced construction at the Goldex Mine in July 2005, and achieved commercial production at the facility in August 2008.

26. The Nunavut Region is comprised of the Meadowbank Mine and the Meliadine project, which are both held directly by the Company. In 2010, the Meadowbank Mine accounted for 27% of the Company's gold production (after achieving commercial production in March 2010) and the Company anticipates that it will account for approximately 31% of the Company's 2011 gold production.

27. The Company's operations in the European Segment are conducted through its indirect subsidiary, Agnico-Eagle Finland Oy, which indirectly owns the Kittila Mine in Finland. In 2010, the Kittila Mine accounted for 13% of the Company's gold production and the Company anticipates that in 2011 the Kittila Mine will account for 13% of the Company's gold production.

28. The Company's operations in the Latin American Region are conducted through its subsidiary, Agnico Eagle Mexico S.A. de C.V., which owns the Pinos Altos Mine, including the Creston Mascota deposit. In 2010, the Pinos Altos Mine accounted for 13% of the

Company's gold production and the Company anticipates that in 2011 the Pinos Altos Mine will account for 16% of the Company's gold production.

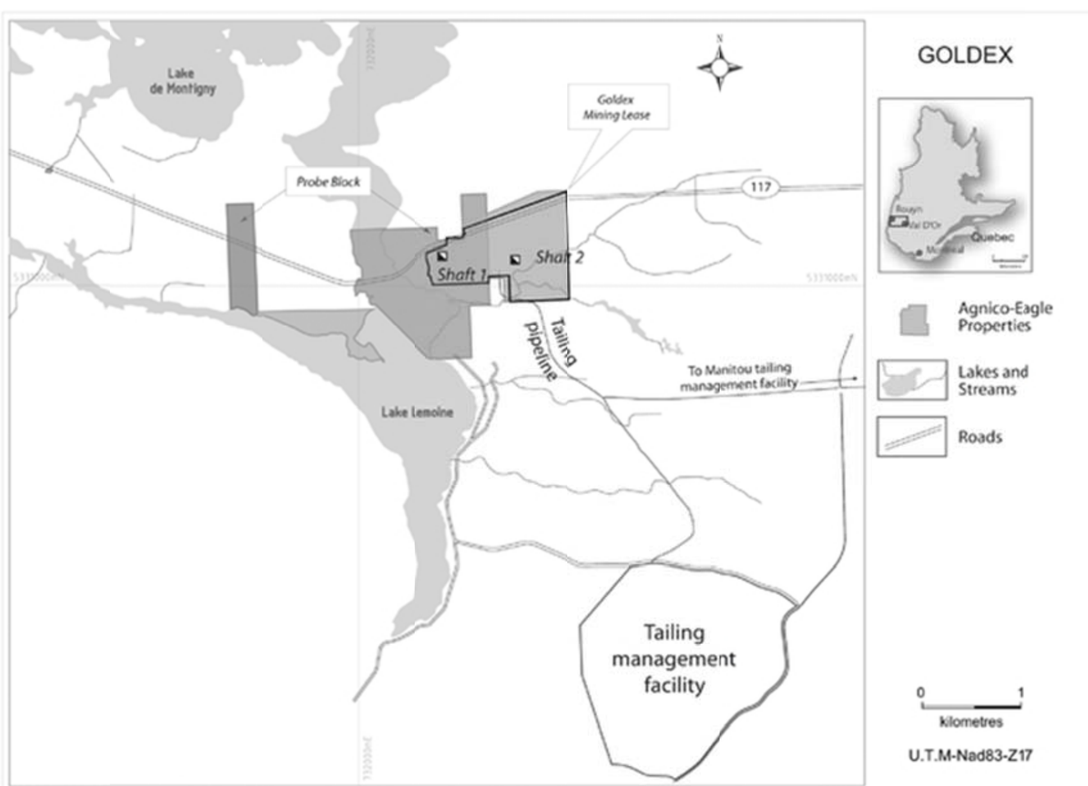
29. The Exploration Segment includes the Company's grassroots exploration operations in the United States, the European exploration office, the Canadian exploration offices, the Meliadine project and the Latin American exploration office. In addition, the Company has an international exploration office in Reno, Nevada.

B. <u>Background of the Goldex Mine</u>

30. According to the Company's Form 20-F filed with the SEC on March 26, 2010, the following is a description of the Goldex Mine's operations:

> The Goldex Mine, which achieved commercial production in August 2008, is located in the City of Val d'Or, Quebec, approximately 60 kilometres east of the LaRonde Mine. At December 31, 2009, the Goldex Mine was estimated to have proven mineral reserves of approximately 338,858 ounces of gold comprised of 5.2 million tonnes of ore grading 2.02 grams gold per tonne and probable mineral reserves of 1.29 million ounces of gold comprised of 19.5 million tonnes of ore grading 2.06 grams gold per tonne.

Location Map of the Goldex Mine



The Goldex Mine is accessible by provincial highway. The elevation is approximately 302 metres above sea level. All of the Goldex Mine's power requirements are supplied by Hydro-Quebec through connections to its main power transmission grid. All of the water required at the Goldex Mine is sourced directly by aqueduct from the Thompson River immediately adjacent to the minesite or through recirculation of water from the surface pond and the auxiliary tailings pond. For additional information regarding the Abitibi region in which the Goldex Mine is located, see "— Property, Plant and Equipment — LaRonde Mine".

The Goldex Mine operates under a mining lease obtained from the Ministry of Natural Resources and Wildlife (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment and Parks (Quebec). The Goldex property, in which the Company has a 100% working interest, consists of 20 contiguous mining claims and, since April 2006, one provincial mining lease (98.6 hectares), covering an aggregate of 273.3 hectares. The property is made up of three blocks: the Probe block (122.7 hectares); the Dalton block (10.4 hectares); and the Goldex Extension block (140.2 hectares). The claims are renewable every second year upon payment of a small fee. The mining lease expires in 2028 and is automatically renewable for three further ten-year terms upon payment of a small fee. The Company also has one lease covering 418.5 hectares of surface rights that are used for the auxiliary tailings pond. This lease is renewable annually upon payment of a small fee.

The Goldex Mine includes underground operations that can be accessed from two shafts, a processing plant, an ore storage facility and other related facilities. The Goldex Extension Zone ("GEZ"), which is the gold deposit on which the Company is currently focusing its production efforts, was discovered in 1989 on the Goldex Extension block (although the Company believes a small portion of the GEZ occurs on the Dalton and Probe blocks). Probe Mines Ltd. holds a 5% net smelter return royalty interest on the Probe block. In 2009, exploration work on the Main zone located on the Probe block to the west of the current mining area continued.

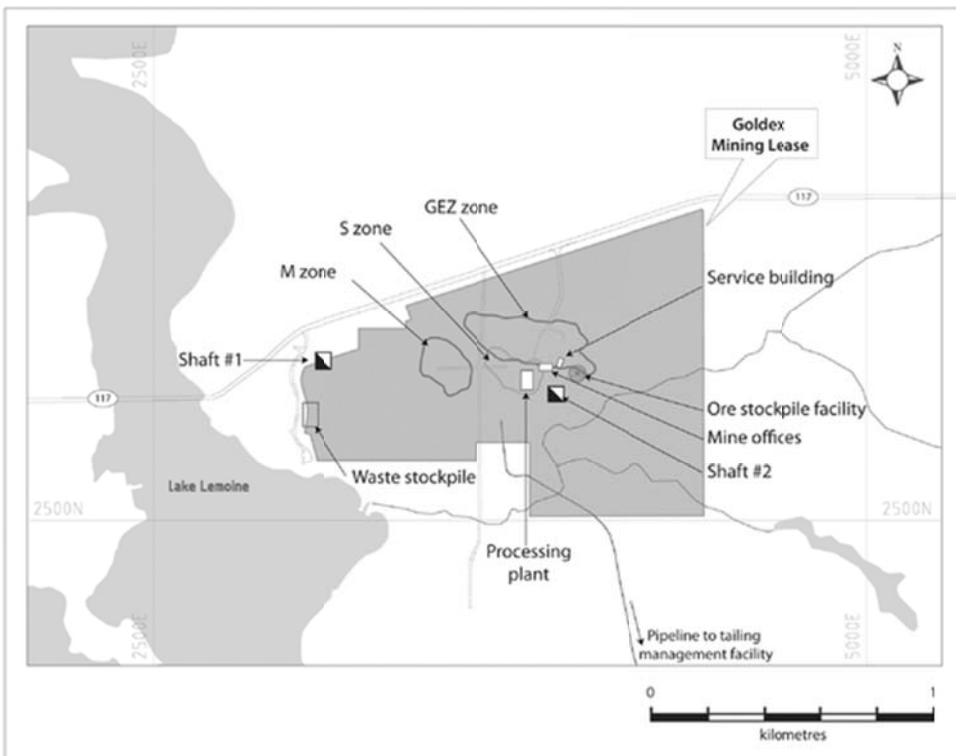
In late 1997, the Company completed a mining study that indicated the deposit was not economically viable to mine at the then-prevailing gold price (approximately $323 per ounce of gold) using the mining approach chosen and drill-hole-indicated grade. The property was placed on care and maintenance and the workings were allowed to flood. In February 2005, a new mineral reserve and resource estimate was completed for the GEZ which, coupled with a feasibility study, led to a probable mineral reserve estimate of 1.6 million ounces of gold contained in 20.1 million tonnes of ore grading 2.54 grams of gold per tonne. The GEZ resource model was revised and, in March 2005, the Company approved a feasibility study and the construction of the Goldex Mine. The mine achieved commercial production on August 1, 2008 and has consistently operated at or above the designed rate of 6,900 tonnes per day.

The Goldex Mine produced 148,849 ounces of gold in 2009 at total cash costs of $365 per ounce. It is anticipated to produce approximately 169,000 ounces of gold in 2010 at estimated total cash costs per ounce of approximately $325.

Based on the results of a scoping study completed in July 2009, the Company determined to expand the mine and mill operations at the Goldex Mine to 8,000 tonnes per day. This project is expected to be completed in early 2011. Capital costs in connection with the expansion total $10 million, which are expected to be incurred in 2010.

Mining and Milling Facilities

Surface Plan of the Goldex Mine



At the time the Company commenced construction of the Goldex Mine, the surface facilities included a headframe, a hoistroom, a surface building containing a mechanical shop, a warehouse and an office. In addition, the Goldex property had a 790-metre deep shaft (Shaft #1), which provided access to underground workings. Shaft #1 is predominantly used to hoist waste rock from development activities.

The sinking of a new production shaft was completed in 2007. The new shaft (Shaft #2) is a 5.5-metre diameter shaft with a 50-centimetre thick concrete lining and is used for ventilation as well as hoisting services. Shaft #2 is 865 metres deep and includes five stations. A refurbished friction hoist was installed for production and service duties, and an auxiliary hoist was installed for emergency and personnel service. The production hoist is equipped with one cage-skip. Each

skip has a 21.5-tonne capacity, and the shaft can hoist an average of 7,000 to 8,000 tonnes of ore per day.

Mining Method

The Goldex Mine uses a high volume bulk mining method, which is made possible through the use of large mining stopes. Drilling and blasting of 165-millimetre production holes is used to obtain a muck size large enough to be economically efficient. Using this method requires a percentage of the broken ore to be kept in the stope to reduce the backfilling cost and to reduce sloughing on the walls. Little ore and waste development is necessary to mine out the deposit.

Surface Facilities

Plant construction at the Goldex Mine commenced in the second quarter of 2006 and was completed in the first quarter of 2008. The plant reached design capacity in the second quarter of 2009. Grinding at the Goldex mill is done through a two-stage circuit comprised of a SAG mill and a ball mill. As part of the 2009 expansion project a surface crusher was added to reduce the size of ore transferred to the surface from 150 millimetres to 50 millimetres. Approximately two-thirds of the gold is recovered through a gravity circuit, passed over shaking tables and smelted on site. The remainder of the gold and pyrite is recovered by a flotation process. The concentrate is then thickened and trucked to the mill at the LaRonde Mine where it is further treated by cyanidation. Gold recovered is consolidated with precious metals from the LaRonde and Lapa Mines. The Company is targeting an average gold recovery of 92.1%.

In addition, surface facilities at the Goldex Mine include an electrical sub-station, a compressor building, a service building for administration and changing rooms, a warehouse building, a concrete headframe above Shaft #2, a hazardous waste storage facility and a dome covering the ore stockpile. In 2008, the processing plant building was commissioned along with the Manitou pumping station and its associated 24-kilometre pipeline.

* * *

Capital Expenditures

Capital expenditures at the Goldex Mine in 2009 were approximately $24 million, which included $4 million on sustaining capital expenditures, $9 million for the mill expansion project, $2 million for exploration, $8 million in deferred development expenses and $1 million for other projects. Sustaining capital expenditures are expected to be $4.5 million in 2010 and $17.6 million over the period from 2010 through 2014.

Development

During 2009, approximately 5,000 metres of lateral and vertical development were completed at a cost of $12 million. For 2010, 3,115 metres of development

is planned with a budget of $10 million (including $9 million for deferred development). In addition, ramp access from Level 49 to Level 37 will be completed in 2010.

Geology, Mineralization and Exploration

Geology

Geologically, the Goldex property is similar to the LaRonde property and is located near the southern boundary of the Archean-age (2.7 billion years old) Abitibi Subprovince, a typical granite-greenstone terrane located within the Superior Province of the Canadian Shield. The southern contact of the Abitibi Subprovince with the Pontiac Subprovince is marked by the east-southeast trending CLL Fault Zone, the most important regional structural feature. The Goldex deposit is hosted within a quartz diorite sill, the Goldex Granodiorite, located in a succession of mafic to ultramafic volcanic rocks that are all generally oriented west-northwest.

The GEZ, which hosts all of the current mineral reserves, extends from 500 to 800 metres below the surface and is entirely hosted by the Goldex Granodiorite. The limits of the zone are defined by the intensity of the quartz vein stockwork envelope and by gold assays. The zone is almost egg-shaped; it is over 300 metres tall by 450 metres long (in a west-northwest direction) and its thickness increases rapidly from 25 metres along the east-west edges to almost 150 metres in the centre.

Mineralization

Gold mineralization at Goldex corresponds to the quartz-tourmaline vein deposit type. The Goldex gold-bearing quartz-tourmaline-pyrite veins and veinlets have strong structural control. The most significant structure directly related to mineralization is a discrete shear zone, the Goldex Mylonite that is up to five metres wide and occurs within the Goldex Granodiorite, just south of the GEZ and most other gold occurrences. The quartz-tourmaline-pyrite vein mineralization is controlled by minor fracture zones that are oriented west-northwest and dip steeply north or south. The fractures are parallel to but north of the Goldex Mylonite. Within the GEZ are three vein sets, the most important of which are extensional-shear veins dipping 30 degrees south and usually less than 10 centimetres thick. The vein sets and associated alteration combine to form stacked envelopes up to 30 metres thick.

Strong albite-sericite alteration of the host-rock quartz diorite surrounds the quartz-tourmaline-pyrite veins and covers almost 80% of the mineralized zone; outside of the envelopes, prior chlorite alteration affects the quartz diorite and gives it a darker grey-green colour. Occasionally, enclaves of relatively unaltered medium grey-green-coloured quartz diorite (with no veining or gold) are found within the GEZ; they are included exceptionally as internal waste to allow for a smooth shape, required for mining purposes.

Most of the gold occurs as microscopic particles that are almost always associated with pyrite, generally adjacent to grains and crystals but also 20% included within the pyrite. The gold-bearing pyrite occurs in the quartz-tourmaline veins and in narrow fractures in the sericite-albite-altered quartz diorite (generally immediately adjacent to the veins). Less than 1.5% of the gold occurs as the mineral calaverite, a gold telluride.

Exploration

In 2009, 52 holes for a total length of 8,917 metres were drilled at the Goldex Mine with 212 metres of lateral development on Level 84 for exploration purposes. Four zones, all located in the Goldex Granodiorite intrusive, have been drilled. Thirty-three holes for 5,014 metres were drilled in the M-zone (a zone similar to the GEZ located 150 metres above the western end of the GEZ); M-zone is the main contributor to the increase in mineral reserves during 2009. Thirteen holes for 2,275 metres were drilled to define the western end of the S-zone, located 40 metres above the GEZ. Six holes were drilled in the E-zone to initiate the E-zone conversion program (including one hole drilled at depth below the E-zone (GEZ Deep)). Results of the 2009 exploration program converted 3.6 million tonnes of mineral resources at year-end 2008 into 3.2 million tonnes of probable mineral reserves at year-end 2009 and redefined the inferred mineral resources of the S-zone from 0.6 million tonnes at year-end 2008 to 1.5 million tonnes at year-end 2009.

More exploration is needed to define the possible extension or repetition of the zone at depth and in its east-west extensions. The inferred mineralization in the eastern portion of the property extends 175 metres east and 125 metres below the current envelope of probable mineral reserves. The zone is open above Level 73 to the east-southeast for approximately 300 metres.

The 2010 exploration program is projected to include 28,206 metres of drilling. The primary target is GEZ Deep below the actual production levels. The remainder of drilling will be dedicated to conversion of the E-zone resources to reserves and to explore to the west and east of the GEZ and the south zones.

C. <u>False and Misleading Statements</u>

31. The Class Period commences on March 26, 2010. On that date, the Company filed a Form 20-F with the SEC, signed by Defendant Garofalo, in which it provided its annual and transition report for the period ending December 31, 2009. Regarding risk factors relating to issues with the Goldex Mine operations, the Form 20-F stated in relevant part as follows:

The Company is largely dependent upon its mining and milling operations at the LaRonde Mine and the Goldex Mine and any adverse condition affecting those operations may have a material adverse effect on the Company.

The Company's operations at the LaRonde Mine and the Goldex Mine in the Abitibi accounted for approximately 71% of the Company's gold production in 2009 and contributed approximately 90% of the Company's operating margin, and will continue to account for a significant portion of its gold production and operating margin until the Kittila Mine, Lapa Mine, Pinos Altos Mine and Meadowbank Mine achieve their anticipated production levels. Any adverse condition affecting mining or milling conditions at the LaRonde Mine or the Goldex Mine could be expected to have a material adverse effect on the Company's financial performance and results of operations. The Company also anticipates using revenue generated by its operations at these mines to finance a substantial portion of the capital expenditures required at its mine development projects. In addition, one of the Company's major development programs is the extension of the LaRonde Mine below Level 245, referred to as the LaRonde Mine extension. This program involves the construction of infrastructure at depth and extraction of ore from new zones, and may present new challenges for the Company. Gold production at the LaRonde Mine above Level 245 has started to decline. The Kittila Mine, the Lapa Mine and the Pinos Altos Mine commenced commercial production in 2009 and the Meadowbank Mine is expected to achieve commercial production in the first quarter of 2010; however, they are not expected to reach their full production rates until later in 2010. In addition, production from the Kittila, Lapa, Pinos Altos and Meadowbank Mines in 2010 may be lower than anticipated if there are delays in achieving full production rate, and it is possible that the anticipated full production rate cannot be achieved. Unless the Company can successfully bring operations at the Kittila, Lapa, Pinos Altos and Meadowbank Mines to their full production rates, bring into production the LaRonde Mine extension or otherwise acquire gold-producing assets, the Company will be dependent on the LaRonde and Goldex Mines for the majority of its gold production. Further, there can be no assurance that the Company's current exploration and development programs at the LaRonde or Goldex Mines will result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves at what are currently the Company's only mines operating at or above projected levels.

* * *

If the Company experiences mining accidents or other adverse conditions, the Company's mining operations may yield less gold than indicated by its estimated gold production.

The Company's gold production may fall below estimated levels as a result of mining accidents such as cave-ins, rock falls, rock bursts, pit wall failures, fires or flooding or as a result of other operational problems such as a failure of a production hoist, autoclave, filter press or semi-autogenous grinding ("SAG") mill. In addition, production may be reduced if, during the course of mining, unfavourable ground conditions or seismic activity are encountered, ore grades are lower than expected, the physical or metallurgical characteristics of the ore are less amenable than expected to mining or treatment or dilution increases. In five of the last seven years, as a result of such adverse conditions, the Company has failed to meet production forecasts due to: a rock fall, production drilling

> challenges and lower than planned mill recoveries in 2003; higher than expected dilution in 2004; and increased stress levels in a sill pillar requiring the temporary closure of production sublevels in 2005. In 2008, gold production was 276,762 ounces, down from the Company's initial estimate of 358,000 ounces. This reduction was primarily a result of delays in the commencement of production at the Goldex Mine and the Kittila Mine mainly due to delays in commissioning the Goldex production hoist and the Kittila autoclave, respectively. In 2009, gold production was 492,972 ounces, down from the Company's initial estimate of 590,000 ounces, primarily as a result of delays in the commencement of production at the Kittila Mine due to issues with the autoclave and at the Pinos Altos Mine resulting from problems in commissioning the dry tailings filter presses and dilution issues at the Lapa Mine. Occurrences of this nature and other accidents, adverse conditions or operational problems in future years may result in the Company's failure to achieve current or future production estimates.

32. On April 14, 2010, Agnico-Eagle filed a Form 6-K with the SEC, which included the Company's 2009 Annual Report slideshow. This Form 6-K reiterated the financial results reported in the Company's Form 20-F filed on March 26, 2010. Regarding the Goldex Mine, the Form 6-K stated that the mine "consistently operated at, or exceeded, design rates throughout 2009," that it expects "that Goldex ore body will be totally blasted approximately 1.5 years ahead of schedule," and that gold production is forecast to increase "to an average of 169,000 ounces, annually, from 2011 to 2014."

33. On April 29, 2010, Agnico-Eagle issued a press release entitled "Agnico-Eagle reports Q1 2010 results; Record quarterly revenue and gold production; Meadowbank Mine achieves commercial production." The press release stated in pertinent part as follows:

> TORONTO, April 29 /CNW/ - Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") today reported quarterly net income of $22.3 million, or $0.14 per share, for the first quarter of 2010. This result includes a non-cash foreign currency translation loss of $8.9 million, or $0.06 per share, as well as a non-cash stock-based compensation expense of $17.3 million, or $0.11 per share. In the first quarter of 2009, the Company reported net income of $54.3 million, or $0.35 per share. A 105% increase in gold production and a similar increase in gross mine profit were more than offset by non-cash foreign currency translation losses, increased depreciation, non-cash stock-based compensation and the deferred tax provision.
>
> First quarter 2010 cash provided by operating activities was $74.5 million (including an increase in working capital of $18.0 million), up from cash provided by operating activities of $48.8 million in the first quarter of 2009 (which included a decrease in

working capital of $7.6 million). This increase was largely due to gold production that was more than double that in the comparable period in 2009 and significantly higher metal prices for gold, zinc, silver and copper.

"Strong operating earnings and cash flows are being generated from our six gold mines. Three of the mines are now operating at steady state and the other three are in the stage of final commissioning and optimization," said Sean Boyd, Vice-Chairman and Chief Executive Officer. "With internal expansions being studied for Pinos Altos, Meadowbank and Kittila, we are well positioned to continue to increase our gold reserves, gold production, earnings and cash flows. Each of these important performance metrics should continue to grow on a per share basis," added Mr. Boyd.

First quarter 2010 highlights include:

- Six Operating Gold Mines - with the Meadowbank mine declaring commercial production as of March 1, 2010, Agnico-Eagle now has aportfolio of six operating mines
- Record Gold Production - record quarterly production of 188,232 ounces, despite a longer than expected maintenance shutdown at Kittila
- Good Cost Control Continues - minesite costs per tonne continue to be on target at the steady state mines; LaRonde, Goldex and Lapa.
- Improved Available Liquidity - subsequent to quarter end, issued $600,000,000 of unsecured long-term notes with all proceeds used to reduce amounts outstanding under the existing credit lines

Payable gold production (1) in the first quarter of 2010 was a record 188,232 ounces at total cash costs per ounce (2) of $443. This compares with payable gold production of 91,812 ounces at total cash costs per ounce of $312 in the first quarter of 2009. The increase in total cash costs per ounce in the first quarter of 2010 is mainly due to the higher costs at Kittila and Meadowbank as will be discussed in subsequent sections, and a stronger Canadian dollar, offset somewhat by a significant increase in gold production.

For full year 2010, both gold production and total cash costs are still expected to be in line with previous guidance of between 1.0 and 1.1 million ounces and $399 per ounce, respectively.

34. On July 28, 2010, Agnico-Eagle issued a press release entitled "Agnico-Eagle reports Q2 2010 results; record quarterly revenue, net income and gold production." The press release stated in pertinent part as follows:

TORONTO, July 28 /CNW/ - Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") today reported a record quarterly net income of $100.4 million, or $0.64 per share, for the second quarter of 2010. This result includes a non-cash foreign currency

translation gain of $17.4 million, or $0.11 per share, as well as a one-time tax recovery of $21.2 million, or $0.14 per share. The result also includes non-cash stock-based compensation expense of $8.1 million, or $0.05 per share. In the second quarter of 2009, the Company reported net income of $1.2 million, or $0.01 per share. A 116% increase in gold production and a 151% increase in gross mine profit over the second quarter of 2009 contributed to the record financial and operating quarter.

Second quarter 2010 cash provided by operating activities was $161.6 million (including an increase in working capital of $16.7 million), up from cash provided by operating activities of $26.4 million in the second quarter of 2009 (which included a decrease in working capital of $27.4 million). This significant increase was largely due to gold production that was more than double that in the comparable period in 2009 and substantially higher prices for gold, zinc, silver and copper.

"Our record quarterly financial results were driven by record gold production as all six of our mines operated throughout the quarter for the first time. Four of the mines are now operating at steady state with the other two in the late stages of optimization," said Sean Boyd, Vice-Chairman and Chief Executive Officer. "Further increases in gold production and lower cash operating costs are expected in the second half of 2010 as we continue to optimize all our mines and focus on driving down the unit costs at our Kittila and Meadowbank mines," added Mr. Boyd.

Second quarter 2010 highlights include:

- Record Gold Production, Record Revenue and Record Net Earnings - quarterly gold production of 257,728 ounces resulted in revenue of $353.9 million and net earnings of $100.4 million
- Good Cost Control Continues at Steady State Mines - minesite costs per tonne continue to be on target at; LaRonde, Goldex, Lapa and Pinos Altos.
- Improved Available Liquidity - during the quarter the Company executed a new non-amortizing, unsecured $1.2 billion revolving credit facility through a syndicate of banks. The Company also issued $600 million of unsecured long-term notes which was used to reduce amounts outstanding under the credit facilities.

Payable gold production (1) in the second quarter of 2010 was a record 257,728 ounces at total cash costs per ounce (2) of $487. This compares with payable gold production of 119,053 ounces at total cash costs per ounce of $326 in the second quarter of 2009. The increase in total cash costs per ounce in the second quarter of 2010 is mainly due to the high costs at Meadowbank ($663/oz) as the mine moves through start-up and commissioning. Total cash costs are expected to decline as the mining and processing rate increases and gold output grows towards steady state levels.

For the first six months of 2010, payable gold production was a record 445,960 ounces at total cash costs per ounce of $469. This compares with payable gold production of

210,864 ounces at total cash costs per ounce of $320 in the first half of 2009. The increase in gold production is due to the impact of four new gold mines commencing operations in the past 14 months. The increase in total cash costs per ounce in the first half of 2010 is mainly due to the high costs at Meadowbank ($695/oz) as stated above.

For the full year 2010, gold production is still expected to be in line with previous guidance of between 1.0 and 1.1 million ounces.

Total cash cost per ounce guidance of $399 was provided on December 16, 2009. This was based on projected gold production of 1.057 million ounces and the following assumptions:

Silver ($/oz) 14.00
Zinc ($/lb) 0.82
Copper ($/lb) 2.77
C$/US$ 1.10
US$/Euro 1.40

Applying current spot rates for these factors would result in total cash cost estimates of approximately $420 per ounce. Based on the higher operating costs experienced at Kittila and Meadowbank during the commissioning phase in 2010, the Company expects that its full year total cash cost per ounce is likely to be in the range of $425 to $450.

35. On September 8, 2010, Agnico-Eagle issued a press release entitled "Agnico-Eagle Provides Exploration Update on 2010 Activities: Mineralization Extended at Depth at Kittila; New Zone Found at Pinos Altos; Aggressive Program Underway at Meliadine." The press release stated in pertinent part as follows:

TORONTO, Sept. 8 /CNW/ - Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") is pleased to provide an update on its 2010 exploration program. During the course of 2010, the Company's programs have resulted in expansions of several mineralized zones at the Company's operations, most significantly at Kittila and Pinos Altos.

Additionally, due to the acquisition of the Meliadine property on July 6, 2010 and the acceleration of exploration at other properties, and the positive results overall, the company's exploration budget for 2010 has been increased by more than 45% to $110 million. This is double of what was spent in 2009, with $25 million having been spent to the end of July.

* * *

"With six operating mines driving record operating and financial results, the focus for Agnico-Eagle turns to continued production growth through optimization and expansion of these mines. At the same time, we have begun an aggressive exploration program at all of our new mines and our newly acquired Meliadine project, as we feel the exploration potential is excellent and these deposits are still relatively under-explored," said Sean Boyd, Vice-Chairman and CEO. "Recent exploration results, particularly at Kittila, Pinos Altos, Goldex and Meliadine, have confirmed our understanding of the potential to continue to grow our reserve and resource base through exploration. With the largest drilling program in our history now underway, we look forward to getting a better understanding of the ultimate size of our deposits and incorporating these results into our ongoing expansion studies," added Mr. Boyd.

* * *

Abitibi Update - Goldex and Lapa Begin Deep Underground Programs

Deeper Drilling at Goldex Yields Intriguingly Familiar Mineralization

The objectives of the 2010 diamond drill program at the Goldex mine were to convert the inferred resources to reserves in the E zone (the eastern extremity of the GEZ zone, which is currently being mined), to explore the eastern and western extensions of the GEZ zone as well as at depth (the D zone), and to investigate the potential above the M zone. Through the end of July, 18,835 metres had been drilled of the planned 28,206 metre Goldex program for 2010.

The E zone is undergoing conversion drilling on a 30-metre grid pattern to determine if the current mine workings could extend eastward. It is expected that 3,000 metres of underground diamond drilling will be done from the level 84 exploration drift before the end of 2010, as well as 4,000 metres from surface to verify the gold potential above the E zone.

Three drill rigs are working to define and extend resources in the deeper D zone. This zone is located approximately 150 metres below the mine workings of the GEZ zone, and was originally discovered in the mid-1990s. The most recent results are shown in the table below, and the drill hole pierce points are shown on the Goldex longitudinal section.

The long intercepts being returned, such as 161 metres of core length grading 2.0 g/t gold in drill hole 84-051, are reminiscent of those from the GEZ zone above (1.6 million ounce gold reserve). Because the geometry of D zone is not yet fully defined, true widths could not be estimated.

36. On October 27, 2010, Agnico-Eagle issued a press release entitled "Agnico-Eagle Reports Q3 2010 Results; Record Quarterly Net Income; Record Quarterly Gold Production At

Meadowbank, Goldex, Kittila And Pinos Altos." The press release stated in pertinent part as follows:

> TORONTO, Oct. 27 /CNW/ - Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") today reported a record quarterly net income of $121.5 million, or $0.73 per share, for the third quarter of 2010. This result includes a non-cash foreign currency translation loss of $17.7 million, or $0.11 per share. The result also includes non-cash stock-based compensation expense of $8.4 million, or $0.05 per share. More than offsetting these items, was a gain on the acquisition of Comaplex Minerals' Meliadine property of $57.5 million (net of acquisition costs), or $0.34 per share. Additionally, the Company recorded a gain on the sale of available-for-sale securities and a property disposition totaling $16.6 million, or $0.10 per share and a one-time tax restructuring loss of $5.6 million, or $0.03 per share. In the third quarter of 2009, the Company reported a net loss of $17.0 million, or $0.11 per share. A 140% increase in gold production and a 233% increase in gross mine profit(1) over the third quarter of 2009 contributed to the record financial and operating quarter.
>
> Third quarter 2010 cash provided by operating activities was $156.8 million ($170.9 million before changes in non-cash components of working capital), up from cash used in operating activities of $13.8 million in the third quarter of 2009 ($38.6 million before changes in non-cash components of working capital). This significant increase was largely due to the previously mentioned increase in gold production and substantially higher prices for gold, zinc, silver and copper.
>
> Third quarter 2010 highlights include:
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> - Record Gold Production, Record Revenue and Record Net Earnings - quarterly gold production of 285,178 ounces resulted in revenue of $398.5 million and net earnings of $121.5 million
> - Record Cash Flows - excluding non-cash changes in working capital, $170.9 million versus the prior quarter's record of $138.9 million
> - Record quarterly gold recovery at Kittila - with the 81% recovery in the mill at Kittila, the design rate of 83% is on target for year end 2010
> - Creston Mascota at Pinos Altos about to Start-Up - crushing plant has been commissioned and loading of leach pads scheduled to begin in fourth quarter
>
> "The transformational phase at Agnico-Eagle is complete and has resulted in record earnings and cash flows per share. The next phase, one of optimization and expansion of our newly built mines, is underway. As a result, we expect gold production and cash flows to continue to grow," said Sean Boyd, Vice-Chairman and Chief Executive Officer. "We look forward to reinvesting part of these growing cash flows to expand output, grow gold reserves and increase our longstanding dividend," added Mr. Boyd.

Payable gold production(2) in the third quarter of 2010 was a record 285,179 ounces at total cash costs per ounce (3) of $441. This compares with payable gold production of 118,763 ounces at total cash costs per ounce of $436 in the third quarter of 2009.

The total cash costs were essentially unchanged versus the prior year's quarter. Significant byproduct revenues at LaRonde resulted in total cash costs of negative $298 per ounce at that mine. Also contributing strongly was Goldex with record quarterly gold production and good cost control ($288/oz).

Higher than anticipated total cash costs remain at Meadowbank ($677/oz) as this new mine moves through start-up and commissioning. Additionally, total cash costs per ounce at Pinos Altos were $690 in the third quarter of 2010 versus $415 in the second quarter of 2010. This increase at Pinos Altos is mainly due to the first ore from the underground operation (relatively high start-up costs), the one-time lump-sum payment of an annual bonus to workers (will be accrued going forward) and, most significantly, due to the stockpile inventory adjustments (wrote down a low-grade stockpile). While the industry has seen higher costs for major inputs such as reagents (specifically cyanide) and labour, total cash costs per ounce at both of these mines are expected to decline as gold production increases.

For the first nine months of 2010, payable gold production was a record 731,138 ounces at total cash costs per ounce of $459. This compares with payable gold production of 329,628 ounces at total cash costs per ounce of $368 in the first nine months of 2009. The increase in gold production is due to the impact of two new gold mines commencing operations in the past year. The increase in total cash costs per ounce in the first nine months of 2010 is mainly due to the higher than expected total cash costs per ounce at Meadowbank ($682/oz) and Pinos Altos ($527), neither of which were operating in the first nine months of 2009.

For the full year 2010, gold production is still expected to be in line with previous guidance of between 1.0 and 1.1 million ounces. The Company's forecast for its full year total cash cost per ounce remains unchanged from the second quarter 2010 guidance of approximately $425 to $450.

37. On December 15, 2010, Agnico-Eagle issued a press release entitled, "Agnico-Eagle Releases Annual Production Growth Plan; 2011 Cash Dividend Increased By 256%." The press release stated in pertinent part as follows:

TORONTO, Dec. 15 /CNW/ - Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") is pleased to announce that its Board of Directors has approved the payment of a quarterly cash dividend for 2011 of $0.16 per common share ($0.64 per year). The first of these dividends will be paid on March 15, 2011 to shareholders of record as of

March 1, 2011. Agnico-Eagle has now declared a cash dividend to its shareholders for 29 consecutive years.

"We are pleased to announce a 256% increase to our longstanding dividend. As we continue to grow our gold output and increase cash flows over the next several years, our goal is to further increase our dividend yield," said Sean Boyd, Vice Chairman and CEO. "Furthermore, we expect our operations to generate sufficient cash flows to fund our internal mine expansions, the development of the new Meliadine mine project and investments in other growth and exploration initiatives," added Mr. Boyd.

Highlights of this corporate update include:

- 2011 dividend of $0.64 per share will be declared and paid quarterly in the amount of $0.16 per share
- Payable gold production1 forecast to increase by approximately 18% in 2011 to between 1.13 million ounces and 1.23 million ounces. Total cash costs per ounce in 2011 are expected to be in the range of $420 to $470
- Payable gold production forecast to increase to approximately 1.5 million ounces by 2014
- Meliadine and several internal expansion projects anticipated to support gold production growth beyond 1.5 million ounces post 2014
- Exploration upside at existing assets remains intact with a record expenditure of approximately $142 million budgeted for 2011, an increase of approximately 30% from 2010

Five Year Plan Outlines Further Production Growth

The Company is announcing its production and cost guidance for the five-year period of 2011 through 2015.

In 2011, payable gold production is expected to be in the range of 1.13 million and 1.23 million ounces. Total cash costs per ounce in 2011 are expected to be in the range of $420 to $470 representing good cost control at the mines.

For the period of 2012 through 2015, the Company expects to produce an average of 1.36 million ounces of gold per year at total cash costs averaging $432 per ounce.

* * *

Goldex D Zone Developing

The Company is currently drilling the deeper mineralization at Goldex. The D zone is located approximately 150 metres below the mine workings of the GEZ deposit. Although not yet fully defined, the D zone is very similar in geology and style of mineralization as that of the GEZ. Four drill rigs are testing the D zone.

To date, the D zone mineralization has been traced over a length of almost 400 metres, with a vertical height of at least 400 metres and with an estimated thickness of 100 metres or more (which are similar dimensions to the GEZ deposit). The zone has been followed down to a depth of approximately 1300 metres below surface (where it remains open for expansion in all directions).

An initial resource estimate is expected in 2011 with the ultimate goal of extending the mine life at Goldex. Over 58,000 metres of diamond drilling and $5.8 million have been budgeted for exploration at Goldex in 2011 and will principally target resource expansion for the D zone. Pending the results of a 2011 mining study, a reserve conversion program will be planned. Positive results from the D zone could significantly extend the mine life at Goldex.

The results of selected drill holes, completed since August 2010, are reported separately in the Company's exploration news release issued today.

* * *

Goldex Operating Above Design Rates

In 2011, payable gold production at Goldex is expected to be approximately 184,000 ounces, while from 2012 through 2015, the expected average gold production is approximately 179,000 ounces annually.

Minesite costs per tonne at Goldex are expected to be approximately C$22 in 2011. For the period of 2012 through 2015 minesite costs per tonne are expected to average $22, representing one of the lowest cost hardrock underground operations in the gold industry.

In 2011, total cash costs at Goldex are expected to be approximately $349 per ounce. From 2012 through 2015, total cash costs per ounce are expected to average approximately $344.

38. Also on December 15, 2010, Agnico-Eagle issued a press release entitled, "Agnico-Eagle Provides Update On Its 2010 Exploration Program; Record Exploration Budget Of $145 Million For 2011." The press release stated in pertinent part as follows:

TORONTO, Dec. 15 /CNW/ - Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") is pleased to provide an update on its 2010 exploration program and planned exploration activities for the coming year. Since its last exploration results news release on September 08, 2010, the Company has continued an aggressive exploration program at its mines and its new Meliadine mine project.

Drilling during 2010 has confirmed that several of Agnico-Eagle's gold deposits continue to have significant exploration upside. It is expected that the exploration success will contribute to an increase in year end 2010 reserves to between 20 million and 21 million

ounces of gold from the 2009 level of 18.4 million ounces. The new total will be presented with the Q4 financial results in February 2011.

Additionally, the Company plans to complete a feasibility study on an expansion in throughput at its Kittila mine in the third quarter of 2011. As a result, at that time, an interim reserve update is planned. The target for year end 2011 gold reserves is 21 million to 22 million ounces of gold.

Agnico-Eagle's $110 million exploration program for 2010 yielded significant results at numerous targeted areas, including Meliadine, Kittila, Goldex and Ellison. As a result of this success, a record $145 million exploration program has been budgeted for 2011 including more than 400 kilometres of drilling.

Highlights of the exploration program include:

* * *

Goldex D Zone

- Exploration beneath the Goldex mine confirms continuity of the large D zone suggesting a significant extension of the life of the Goldex mine
- Style of mineralization, deposit size and grade are similar to the GEZ zone which is currently being mined
- Results include 1.69 gpt over 216.0 metres in drill hole 76-006, and drill hole 76-008 which returned 1.88 gpt over 181.5 metres

* * *

"As we move into an optimization and production expansion phase at our existing mines, we have also stepped up our exploration efforts at these assets with a 30% increase in our 2011 exploration budget to a record $145 million," said Sean Boyd, Vice Chairman and Chief Executive Officer. "This increased exploration is focused on the conversion of our large gold resource to reserves and on providing information on several growth opportunities currently being evaluated," added Mr. Boyd.

* * *

Goldex D Zone

At the Goldex mine in the Abitibi region of Quebec, the Company is pursuing an aggressive exploration program with four drill rigs to define and extend the D zone, located approximately 150 metres below the current mine workings of the GEZ deposit. At the end of October, over 38,000 metres of exploration drilling had been completed through 109 holes.

Results, to date, have yielded several promising intersections with grades and thicknesses very similar to those encountered in the main orebody of the mine. In

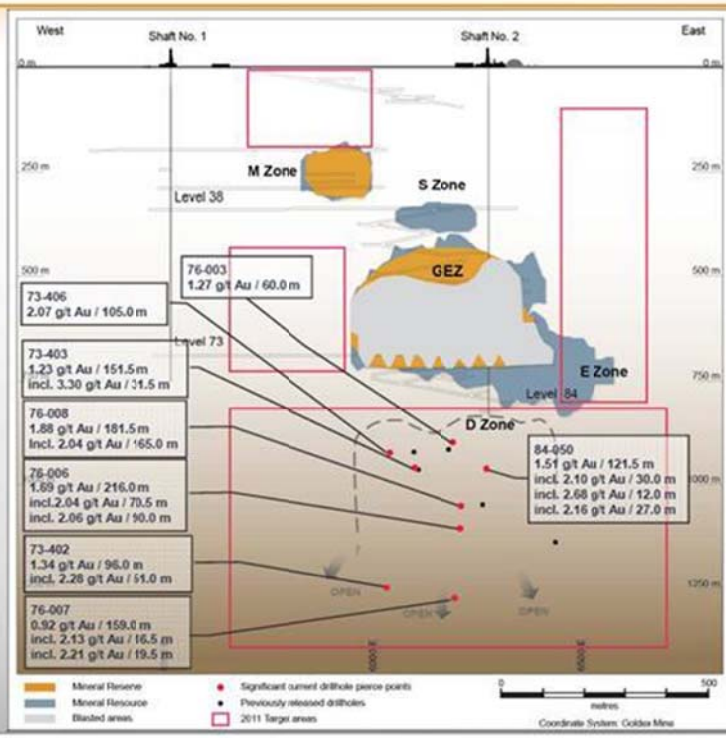
particular, the D zone mineralization has been traced within an approximate 400m x 400m x 100m shape, with numerous drill holes returning results with consistent grades over long intervals, as has been the experience with the Goldex orebody to date. This structure of the mineralization suggests a strong potential to materially increase the life of mine at Goldex.

The results from selected holes completed since August 2010 are reported in the table below, and their locations shown on the longitudinal section. Because the geometry of the D zone is not yet fully defined, true widths associated with these particular intercepts cannot be estimated at this time.

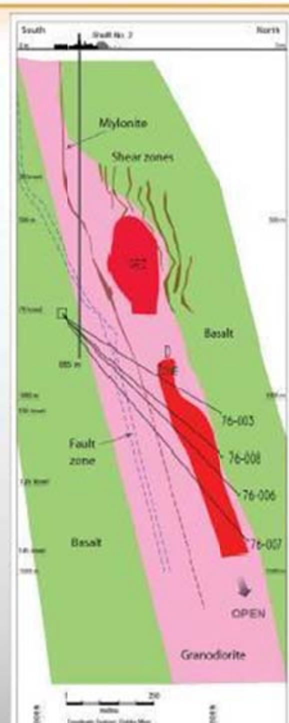
Selected Goldex D Zone drill results

Drill Hole	Purpose	From (metres)	To (metres)	Core length	Gold (gpt)
73-402	exploration	688.5	784.5	96.0	1.34
including		733.5	784.5	51.0	2.28
73-403	exploration	468.0	619.5	151.5	1.23
including		588.0	619.5	31.5	3.30
73-406	exploration	460.5	565.5	105.0	2.07
76-003*	exploration	324.0	384.0	60.0	1.27
76-006	exploration	438.0	654.0	216.0	1.69
including		478.5	549.0	70.5	2.04
including		564.0	654.0	90.0	2.06
76-007	exploration	639.0	798.0	159.0	0.92
including		639.0	655.5	16.5	2.13
including		778.5	798.0	19.5	2.21
76-008	exploration	405.0	586.5	181.5	1.88
including		421.5	586.5	165.0	2.04
84-050	exploration	274.5	396.0	121.5	1.51
including		274.5	304.5	30.0	2.10
including		339.0	351.0	12.0	2.68
including		369.0	396.0	27.0	2.16

AEM Goldex



AEM Goldex - Cross Section 6190E



The D zone continues to return long gold intercepts, such as 1.69 gpt over 216.0 metres in hole 76-006, and hole 76-008 which returned 1.88 gpt over 181.5 metres. Many of the intersections are also comprised of relatively higher grade intervals. For example, within the broad intersection in holes 76-006 and 73-403, there are intervals grading 2 gpt to 3 gpt over 30 metres to 70 metres.

The most promising results are from what now appears to be the central part of D zone (section 6190E), where four holes (76-003, 76-008, 76-006 and 76-007) intersected mineralization with encouraging grades (between roughly 1 gpt and 2 gpt) and widths up to 100 metres over almost 400 metres vertically (between the depths of 910 metres and 1290 metres below surface).

Hole 73-402, which returned 1.34 gpt over 96.0 metres, and hole 76-007, which returned 0.92 gpt over 159 metres, are the deepest holes to intersect the D zone to date, cutting mineralization approximately 1300 metres below surface.

An initial inferred resource is expected by year end. In 2011, $5.7 million, including over 58,000 metres of diamond drilling has been budgeted for exploration and will principally target resource expansion for the D zone. Pending the results of a planned mining study in 2011, a reserve conversion program will also be considered.

39. On February 16, 2011, Agnico-Eagle issued a press release entitled, "Agnico-Eagle Reports Fourth Quarter And Full Year 2010 Results; New Mines Contribute To Record Financial Results; Full Year Earnings Up 284%; Record Gold Reserves Up 16%." The press release stated in pertinent part as follows:

TORONTO, Feb. 16 /CNW/ - **Agnico-Eagle Mines Limited** ("Agnico-Eagle" or the "Company") today reported quarterly net income of $88.0 million, or $0.53 per share for the fourth quarter of 2010. This result includes a non-cash foreign currency translation loss of $10.4 million, or $0.06 per share, stock option expense of $7.2 million, or $0.04 per share, and a gain on sale of investments of $11.3 million, or $0.06 per share. In the fourth quarter of 2009, the Company reported net income of $47.9 million, or $0.31 per share.

Fourth quarter 2010 cash provided by operating activities was $90.6 million (a record $179.4 million before changes in non-cash components of working capital) up from cash provided by operating activities of $53.7 million in the fourth quarter of 2009 ($99.1 million before changes in non-cash components of working capital), primarily due to 57% higher gold production and significantly higher metal prices.

"The growth plan that transformed the Company over the past several years has resulted in record gold reserves and record annual financial and operating results", said Sean Boyd, Vice-Chairman and Chief Executive Officer. "As Agnico-Eagle begins the next five-year growth phase from our expanded production platform,

our strategy remains unchanged. The focus continues to be to increase our gold reserves, gold production, earnings and cash flows, each on a per-share basis", added Mr. Boyd.

Fourth quarter and full year 2010 highlights include:

- Record earnings and cash flows - annual earnings up 284%, cash provided by operating activities up 320%, year over year
- Record annual gold production - quarterly production of 256,469 ounces contributed to record annual gold production of 987,609 ounces; up 100% year over year
- Good cost control - Full year total cash costs per ounce of $451. Minesite costs per tonne targets achieved at the steady state mines of LaRonde, Goldex, Lapa and Pinos Altos
- Record Quarter at Pinos Altos - record quarterly gold production of 39,289 ounces at total cash costs of $365 per ounce. First gold pour from Creston Mascota satellite project occurred in December
- Record gold reserves - gold reserves rise 2.9 million ounces net of production, or 16%, to a record 21.3 million ounces. Record exploration expenditure planned for 2011

For the full year 2010, the Company recorded net income of $332.1 million, or $2.05 per share. In 2009, Agnico-Eagle recorded net income of $86.5 million, or $0.55 per share. Compared with the prior year, 2010 earnings were positively affected by a greater than 100% increase in gold production as a result of a full year of production at Kittila, Pinos Altos and Lapa, the startup of production at the Meadowbank mine in March, combined with higher realized prices for gold, silver, copper and zinc.

For 2010, the Company recorded cash provided by operating activities of $483.5 million ($581.7 million before changes in non-cash components of working capital). This is significantly up from 2009, when cash provided by operating activities totaled $115.1 million ($232.5 million before changes in non-cash components of working capital). The increase was primarily due to the previously mentioned increase in 2010 gold production, as well as significant increases in realized prices for all produced metals in 2010.

Payable gold production in the fourth quarter of 2010 was 256,469 ounces compared to 163,276 ounces in the fourth quarter of 2009. A detailed description of the production and cost performance by mine may be found in the respective sections later in this document.

Total cash costs for the fourth quarter of 2010, based on the Company's historic policy of attributing all stripping costs into current period costs, were $485 per ounce (versus $297 per ounce for fourth quarter 2009). However, to be consistent with other gold producers, going forward the Company will report total cash costs using the more common industry practice of deferring certain stripping costs (which is in line with the practice recommended by the Gold Institute) that can be attributed to future production. Under this methodology, the Company's cash

costs for the fourth quarter of 2010 were $462 per ounce. This compares with $295 per ounce in the fourth quarter of 2009, calculated on the same basis.

The increase in total cash costs per ounce in the fourth quarter of 2010 is mainly due to higher costs at Kittila in October and November and high costs at Meadowbank as the mine continues to ramp-up to full production rates.

The Company's payable gold production for the full year 2010 was a record 987,609 ounces at total cash costs per ounce of $451, excluding a portion of stripping costs as described above. The full year production is 1.2% below the bottom end of the range of guidance provided in December 2009. The lower than anticipated gold production in the year is largely due to the slower than anticipated ramp-up at the new Meadowbank mine. Additionally, the shortfall is partly a result of lower than expected grades at LaRonde and Lapa in the fourth quarter of 2010.

The 2010 production compares to the full year 2009 level of 492,972 ounces at total cash costs per ounce of $346. The higher production in 2010 was due to the opening and optimizing of the new mines. The higher total cash costs per ounce were primarily due to the impact of Meadowbank's higher cost start-up phase in 2010 (higher than expected at $693 for the year mainly due to reduced throughput related to crushing issues).

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Goldex Mine - Achieves Record Annual Gold Production

The 100% owned Goldex mine in northwestern Quebec began operation in 2008. Proven and probable gold reserves total 1.6 million ounces from 27.8 million tonnes grading 1.8 g/t.

The Goldex mill processed an average of 7,844 tpd in the fourth quarter of 2010. During the fourth quarter of 2009, the plant processed 7,655 tpd. Milling performance for the full year 2010 was 7,621 tpd compared to 7,164 tpd in 2009. This strong tonnage performance was largely due to the full year operation of the permanent secondary crushing unit, which has resulted in an increase to the capacity of the mill.

Minesite costs per tonne at Goldex were approximately C$21 in the fourth quarter of 2010, down from C$23 in the fourth quarter of 2009. For the full year 2010, minesite costs per tonne were approximately C$22, slightly below the C$23 per tonne in 2009, largely due to the strong tonnage performance which more than offset industry wide cost pressures. Agnico-Eagle believes this is one of the lowest cost hard rock underground mines in the world on a minesite cost per tonne basis.

Payable gold production in the fourth quarter of 2010 was 43,110 ounces at total cash costs per ounce of $370. This compares to fourth quarter 2009 gold production of 46,075 ounces at total cash costs per ounce of $338. The decrease

in gold production is due to the scheduled mining of lower grade during the 2010 period which also negatively impacted the cost per ounce.

For the full year 2010, Goldex's payable gold production was a record 184,386 ounces at total cash costs per ounce of $335. This compares favourably to full year 2009 production of 148,849 ounces at total cash costs per ounce of $366. The improved performance at Goldex is reflective of the ongoing optimization efforts at the mine and improved throughput.

Gold production for 2011 is expected to be approximately 183,500 ounces.

Due to exploration success in 2010, it is expected that the mine life of Goldex may be extended as the deeper D Zone is explored and quantified. Beginning in 2011, it is expected that a ramp will be driven below the current workings to facilitate additional drilling which would be incorporated in a feasibility study considering the extraction of this zone. The study is expected to be completed in mid-2013.

40. On March 28, 2011, Agnico-Eagle filed a Form 20-F with the SEC, signed by Defendant Al-Joundi, in which it provided its annual and transition report for the period ending December 31, 2010. Regarding risk factors relating to issues with the Goldex Mine operations, the Form 20-F stated in relevant part as follows:

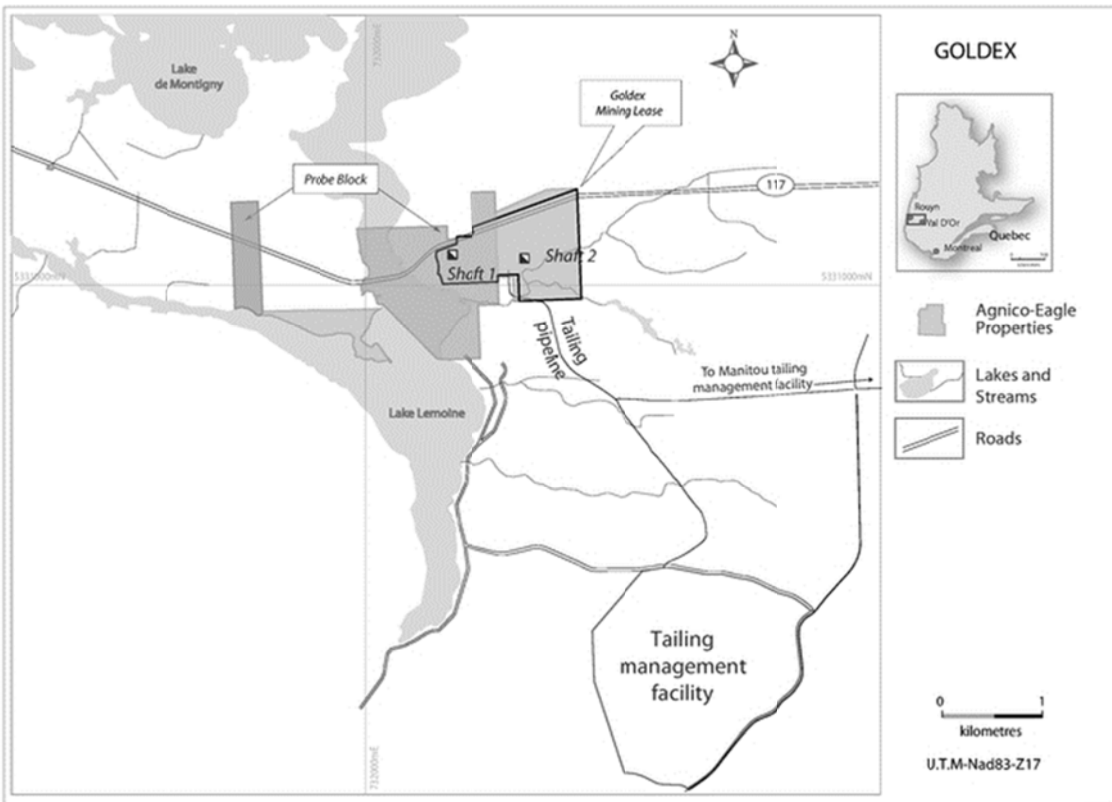
The Company is largely dependent upon its mining and milling operations in the Abitibi region of Quebec and at its Meadowbank Mine in Nunavut, and any adverse condition affecting those operations may have a material adverse effect on the Company.

The Company's operations at the LaRonde, Goldex and Lapa Mines in the Abitibi region accounted for approximately 40% of the Company's gold production in 2010 and are expected to account for the same percentage in 2011. The Meadowbank Mine accounted for approximately 27% of the Company's gold production in 2010, although it did not achieve commercial production until March 2010, and is expected to account for approximately 31% of the Company's gold production in 2011. The mines in the Abitibi region and in Nunavut will continue to account for a significant portion of the Company's gold production. Any adverse condition affecting mining or milling conditions in the Abitibi region or in Nunavut could be expected to have a material adverse effect on the Company's financial performance and results of operations. The Company also anticipates using revenue generated by its operations at these mines to finance a substantial portion of the capital expenditures required for expansion at the Kittila, Pinos Altos and Meadowbank Mines and for exploration and development at its mine projects, including the Meliadine project. In addition, one of the Company's major development programs is the extension of the LaRonde Mine below Level 245, referred to as the LaRonde Mine extension. This program involves the construction of infrastructure at depth and extraction of ore from new

> zones, and may present new challenges for the Company. Gold production at the LaRonde Mine above Level 245 has started to decline.
>
> The Kittila Mine and the Pinos Altos Mine commenced commercial production in 2009 and commercial production at the Creston Mascota deposit at Pinos Altos is expected to be achieved in the first quarter of 2011. However, unless the Company otherwise acquires significant gold-producing assets in other regions, the Company will continue to be dependent on its operations in the Abitibi region and in Nunavut for the majority of its gold production. Further, there can be no assurance that the Company's current exploration and development programs at the LaRonde, Goldex or Meadowbank Mines will result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves.

41. In addition, the Form 20-F provided the following regarding the Goldex Mine operations:

> Goldex Mine
>
> The Goldex Mine, which achieved commercial production in August 2008, is located in the City of Val d'Or, Quebec, approximately 60 kilometres east of the LaRonde Mine. At December 31, 2010 the Goldex Mine was estimated to have proven and probable mineral reserves of approximately 1.6 million ounces of gold comprised of 27.8 million tonnes of ore grading 1.75 grams per tonne.
>
> Location Map of the Goldex Mine



The Goldex Mine is accessible by provincial highway. The elevation is approximately 302 metres above sea level. All of the Goldex Mine's power requirements are supplied by Hydro-Quebec through connections to its main power transmission grid. All of the water required at the Goldex Mine is sourced directly by aqueduct from the Thompson River immediately adjacent to the minesite or through recirculation of water from the surface pond and the auxiliary tailings pond. For additional information regarding the Abitibi region in which the Goldex Mine is located, including information with respect to climate, topography, vegetation and mining personnel, see "– Property, Plant and Equipment – LaRonde Mine".

The Goldex Mine operates under a mining lease obtained from the Ministry of Natural Resources and Wildlife (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment and Parks (Quebec). The Goldex property, in which the Company has a 100% working interest, consists of 20 contiguous mining claims and, since April 2006, one provincial mining lease (98.6 hectares), covering an aggregate of 273.3 hectares. The property is made up of three blocks: the Probe block (122.7 hectares); the Dalton block (10.4 hectares); and the Goldex Extension block (140.2 hectares). The claims are renewable every second year upon payment of a small fee. The mining lease expires in 2028 and is automatically renewable for three further ten-year terms upon payment of a small fee. The Company also has one lease covering 418.5 hectares of surface rights that are used for the auxiliary tailings pond. This lease is renewable annually upon payment of a small fee.

The Goldex Mine includes underground operations that can be accessed from two shafts, a processing plant, an ore storage facility and other related facilities. The Goldex Extension Zone (“GEZ”), which is the gold deposit on which the Company is currently focusing its production efforts, was discovered in 1989 on the Goldex Extension block (although the Company believes a small portion of the GEZ occurs on the Dalton and Probe blocks). Probe Mines Ltd. holds a 5% net smelter return royalty interest on the Probe block. In 2010, exploration and development work continued on the zone located on the Probe block 150 metres above the western end of the GEZ (the ”M-Zone”).

In late 1997, the Company completed a mining study that indicated the deposit was not economically viable to mine at the then-prevailing gold price (approximately $323 per ounce of gold) using the mining approach chosen and drill-hole-indicated grade. The property was placed on care and maintenance and the workings were allowed to flood. In February 2005, a new mineral reserve and resource estimate was completed for the GEZ which, coupled with a feasibility study, led to a probable mineral reserve estimate of 1.6 million ounces of gold contained in 20.1 million tonnes of ore grading 2.54 grams of gold per tonne. The GEZ resource model was revised and, in March 2005, the Company approved a feasibility study and the construction of the Goldex Mine. The mine achieved commercial production on August 1, 2008 and has consistently operated at or above the designed rate of 6,900 tonnes per day.

Based on the results of a scoping study completed in July 2009, the Company determined to expand the mine and mill operations at the Goldex Mine to 8,000 tonnes per day. This project was completed in 2010. Capital costs in connection with the expansion total $10 million. The crusher for the expansion was commissioned at the end of the first quarter of 2010 at a rate of 7,811 tonnes per day. Milling performance for December 2010 was at 7,951 tonnes per day. Optimization of surface crusher liners in the first quarter of 2011 is expected to improve tonnage.

The Goldex Mine produced 184,386 ounces of gold in 2010 at total cash costs of $335 per ounce. It is anticipated that the Goldex Mine will produce approximately 183,538 ounces of gold in 2011 at estimated total cash costs per ounce of approximately $349.

Mining and Milling Facilities

Surface Plan of the Goldex Mine

At the time the Company commenced construction of the Goldex Mine, the surface facilities included a headframe, a hoistroom, a surface building containing a mechanical shop, a warehouse and an office. In addition, the Goldex property had a 790-metre deep shaft (Shaft #1), which provided access to underground workings. Shaft #1 is predominantly used to hoist waste rock from development activities.

The sinking of a new production shaft was completed in 2007. The new shaft (Shaft #2) is a 5.5-metre diameter shaft with a 50-centimetre thick concrete lining and is used for ventilation as well as hoisting services. Shaft #2 is 865 metres deep and includes five stations. A refurbished friction hoist was installed for production and service duties, and an auxiliary hoist was installed for emergency and personnel service. The production hoist is equipped with one cage-skip. Each skip has a 21.5-tonne capacity and the shaft can hoist an average of 7,000 to 8,000 tonnes of ore per day.

Mining Method

The Goldex Mine uses a high volume bulk mining method, which is made possible through the use of large mining stopes. Drilling and blasting of 165-millimetre production holes is used to obtain a muck size large enough to be economically efficient. Using this method requires a percentage of the broken ore to be kept in the stope to reduce the backfilling cost and to reduce sloughing on the walls. Little ore and waste development is necessary to mine out the deposit.

Surface Facilities

Plant construction at the Goldex Mine commenced in the second quarter of 2006 and was completed in the first quarter of 2008. The plant reached design capacity in the second quarter of 2009. Grinding at the Goldex mill is done through a two-stage circuit comprised of a SAG mill and a ball mill. As part of the expansion project commenced in 2009, a surface crusher was added to reduce the size of ore transferred to the surface from 150 millimetres to 50 millimetres. A lamellar decanter was also added to recover small particles present in the water overflow of the concentrate thickener. The underflow pump of this thickener was upgraded following flotation circuit modification to increase the pull rate of the small particles. An increase in the capacity of the tailings pump is required. The project is ongoing and the Company expects that it will be finalized in March 2011. A lime silo will also be installed and commissioned in the second quarter of 2011. Approximately two-thirds of the gold is recovered through a gravity circuit, passed over shaking tables and smelted on site. The remainder of the gold and pyrite is recovered by a flotation process. The concentrate is then thickened and trucked to the mill at the LaRonde Mine where it is further treated by cyanidation. Gold recovered is consolidated with precious metals from the LaRonde and Lapa Mines. The Company is targeting an average gold recovery of 93.28% for 2011.

In addition, surface facilities at the Goldex Mine include an electrical sub-station, a compressor building, a service building for administration and changing rooms, a warehouse building, a concrete headframe above Shaft #2, a hazardous waste storage facility and a dome covering the ore stockpile. In 2008, the processing plant building was commissioned along with the Manitou pumping station and its associated 24-kilometre pipeline.

Mineral Recoveries

During 2010, the Goldex mill processed approximately 2.78 million tonnes of ore, averaging approximately 7,620 tonnes of ore treated per day and operating at approximately 95% of available time. The following table sets out the metal recoveries at the Goldex Mine in 2010.

	Head Grades	Gravity Recovery		Flotation-Cyanidation Recovery		Global Recovery		Payable Production
Gold	2.21 g/t	123,712 oz	63.24%	60,673 oz	29.98%	184,385 oz	93.22%	184,385 oz

Environmental Matters

Environmental permits for the construction and operation of an ore extracting infrastructure at the Goldex Mine were received from the Ministry of Sustainable Development, Environment and Parks (Quebec) in October 2005. The permits also covered the construction and operation of a sedimentation pond for mine water treatment and sewage facilities, and these facilities have been built at the Goldex Mine site. In June 2009, permits were revised to permit the expansion of the mine and mill operations to 8,500 tonnes per day.

In November 2006, the Company and the Quebec government signed an agreement permitting the Company to dispose of the Goldex tailings at the

Manitou minesite, a tailings site formerly used by an unrelated third party and abandoned to the Quebec government. The Manitou tailings site has issues relating to acid drainage and the construction of tailings facilities by the Company and the deposit of tailings from the Goldex plant on the Manitou tailings site was accepted by theMinistry of Sustainable Development, Environment and Parks (Quebec) as a valid rehabilitation plan to address the acid generation problem at Manitou. Under the agreement, the Company managed the construction and operation of the tailings facilities and the Quebec government paid all additional costs above the Company's budget for tailings facilities set out in the Goldex feasibility study. The Quebec government retains responsibility for all environmental contamination at the Manitou tailings site and for final closure of the facilities. In addition, the Company has built a separate tailings deposit area (auxiliary tailings pond) near the Goldex Mine. Environmental permits for the construction and operation of the auxiliary tailings pond at the Goldex Mine were received in March 2007. In 2010, 33,947 tonnes of Goldex tailings were discharged to the auxiliary pond for a total to date of 526,000 tonnes. At the Manitou site, 2.75 million tonnes of Goldex tailings were discharged for a total to date of 5.893 million tonnes.

Capital Expenditures

Capital expenditures at the Goldex Mine in 2010 were approximately $24.3 million, which included $3.2 million on sustaining capital expenditures, $3.4 million on the construction of facilities in the M-Zone and water management, $11.7 million in deferred development expenses and $2.9 million for other projects. Sustaining capital expenditures are expected to be approximately $9.9 million in 2011 and $16.4 million over the period from 2011 through 2015.

Development

During 2010, approximately 3,800 metres of lateral and vertical development were completed at a cost of $8.2 million. For 2011, 4,000 metres of development is planned with a budget of approximately $10.7 million (including $9.7 million for deferred development). In 2010, ramp access from Level 49 to Level 37 was completed.

<u>Geology, Mineralization and Exploration</u>

Geology

Geologically, the Goldex property is similar to the LaRonde property and is located near the southern boundary of the Archean-age (2.7 billion years old) Abitibi Subprovince, a typical granite-greenstone terrane located within the Superior Province of the Canadian Shield. The southern contact of the Abitibi Subprovince with the Pontiac Subprovince is marked by the east-southeast trending CLL Fault Zone, the most important regional structural feature. The Goldex deposit is hosted within a quartz diorite sill, the "Goldex Granodiorite",

located in a succession of mafic to ultramafic volcanic rocks that are all generally oriented west-northwest.

The GEZ, which hosts most of the current mineral reserves, extends from 500 to 800 metres below the surface and is entirely hosted by the Goldex Granodiorite. The limits of the zone are defined by the intensity of the quartz vein stockwork envelope and by gold assays. The zone is almost egg-shaped; it is over 300 metres tall by 450 metres long (in a west-northwest direction) and its thickness increases rapidly from 25 metres along the east-west edges to almost 150 metres in the centre.

Exploration efforts at Goldex were focused on satellite zones in 2010. Some of these satellite zones now contain reserves, including the M-Zone and the zone located at the south-eastern extension of the GEZ (the ”E-Zone”). Both the M-Zone and the E-Zone are defined by quartz tourmaline veins and gold assays that are similar to the GEZ. The M-Zone has been defined on a length of 160 metres, a height of 120 metres and a thickness of 115 metres. The E-Zone has been defined on a length of 150 metres, a height of 110 metres and a thickness of 90 metres.

Mineralization

Gold mineralization at Goldex corresponds to the quartz-tourmaline vein deposit type. The Goldex gold-bearing quartz-tourmaline-pyrite veins and veinlets have strong structural control. The most significant structure directly related to mineralization is a discrete shear zone, the Goldex Mylonite, that is up to five metres wide and occurs within the Goldex Granodiorite, just south of the GEZ and most other gold occurrences. The quartz-tourmaline-pyrite vein mineralization is controlled by minor fracture zones that are oriented west-northwest and dip steeply north or south. The fractures are parallel to but north of the Goldex Mylonite. Within the GEZ are three vein sets, the most important of which are extensional-shear veins dipping 30 degrees south and usually less than 10 centimetres thick. The vein sets and associated alteration combine to form stacked envelopes up to 30 metres thick.

Strong albite-sericite alteration of the host-rock quartz diorite surrounds the quartz-tourmaline-pyrite veins and covers almost 80% of the mineralized zone; outside of the envelopes, prior chlorite alteration affects the quartz diorite and gives it a darker grey-green colour. Occasionally, enclaves of relatively unaltered medium grey-green-coloured quartz diorite (with no veining or gold) are found within the GEZ; they are included exceptionally as internal waste to allow for a smooth shape, required for mining purposes.

Most of the gold occurs as microscopic particles that are almost always associated with pyrite, generally adjacent to grains and crystals but also 20% included within the pyrite. The gold-bearing pyrite occurs in the quartz-tourmaline veins and in narrow fractures in the sericite-albite-altered quartz diorite (generally immediately adjacent to the veins). Less than 1.5% of the gold occurs as the mineral calaverite, a gold telluride.

Exploration

In 2010, $3.9 million was spent on exploration at Goldex. A total of 122 holes were drilled using diamond drilling methods at the Goldex Mine for a total length of approximately 44 kilometres, compared to 52 holes for a total length of 8,917 metres in 2009. Initiated in 2009, the exploration drift on Level 84 was extended by 60 metres in 2010. Four different zones in the Goldex Granodiorite intrusive were drilled in 2010. The focus of the 11.7 kilometres of exploration drilling was the area above the M-Zone, with additional drilling on the eastern and western ends of the GEZ and above the E-Zone. In addition, approximately 11 kilometres of drilling was undertaken for resource-to-reserve conversion in the E-Zone and 21 kilometres to delineate a new inferred resource in the zone located inside the Goldex Granodiorite sill and extending approximately 325 metres high, 490 metres wide and 100 metres deep (the ”D-Zone”). Like the GEZ, mineralization in the D-Zone is characterized by quartz tourmaline veins.

The 2011 exploration program is budgeted to include 58,200 metres of diamond drilling. The primary target is the D-Zone with 40,700 metres of diamond drilling. The remainder of drilling will explore the area above the M-Zone (9,000 metres) and the sector to the east of the GEZ above the E-Zone (8,500 metres).

42. On April 28, 2011, Agnico-Eagle issued a press release entitled, “Agnico-Eagle Reports First Quarter 2011 Results.” The press release provided in pertinent part as follows:

TORONTO, April 28 /CNW/ - **Agnico-Eagle Mines Limited** (“Agnico-Eagle” or the “Company”) today reported quarterly net income of $45.3 million, or $0.27 per share for the first quarter of 2011. This result includes a non-cash foreign currency translation loss of $14.1 million, or $0.08 per share, stock option expense of $18.5 million, or $0.11 per share, an expense of $3.1 million, or $0.02 per share related to the March 10, 2011 Meadowbank fire, and a gain on sale of investments of $4.4 million, or $0.03 per share. Excluding these items would result in adjusted net income of $76.5 million, or $0.45 per share. In the first quarter of 2010, the Company reported net income of $22.3 million, or $0.14 per share.

First quarter 2011 cash provided by operating activities was $171.0 million ($146.9 million before changes in non-cash components of working capital), up from cash provided by operating activities of $74.5 million in the first quarter of 2010 ($92.5 million before changes in non-cash components of working capital).

The higher net income and cash provided by operating activities in 2011 was primarily due to 34% higher gold production and significantly higher metal prices when compared to the first quarter of 2010.

“Thanks to a quick response by the team at Meadowbank, the damage caused by the recent fire was limited and we are already back running at full capacity at the mine,” said Sean Boyd, Vice-Chairman and Chief Executive Officer. “On the back of record production quarters at our Pinos Altos and Kittila mines, and with the expected

commissioning of the permanent secondary crusher at Meadowbank in the third quarter, we expect to have all six of our mines operating at a steady state as we head into the second half of the year. It is expected that gold production in the second half of this year should be approximately 20 percent higher than in the first half of 2011," added Mr. Boyd.

First quarter highlights include:

- **Record Quarterly Gold Output at Kittila -** record quarterly recovery of 86.4%, and gold production of 40,317 ounces
- **Record Operating Quarter at Pinos Altos -** record quarterly gold production of 48,001 ounces at total cash costs of $312 per ounce. Commercial production declared at Creston Mascota at March 1, 2011
- **Strong Cash Generation -** record quarterly cash provided by operating activities of $171 million, or $1.01 per share
- **Gold Mineralization Extended at Kittila, Goldex, Lapa and Meliadine -** details in today's separate exploration news release

* * *

Goldex Mine - Low Cost Underground Mine

The 100% owned Goldex mine in northwestern Quebec began operation in 2008. Proven and probable gold reserves total 1.6 million ounces from 27.8 million tonnes grading 1.8 g/t.

The Goldex mill processed an average of 7,950 tpd in the first quarter of 2011. During the first quarter of 2010, the plant processed 7,410 tpd. The mill has now demonstrated that it can sustain approximately 8,000 tonnes per day following the installation of a permanent secondary crusher and additional tailings pump capacity in the first quarter of 2010.

Minesite costs per tonne at Goldex were approximately C$23 in the first quarter of 2011, essentially unchanged from C$24 in the first quarter of 2010.

Payable gold production in the first quarter of 2011 was 38,500 ounces at total cash costs per ounce of $431. This compares to first quarter 2010 gold production of 42,269 ounces at total cash costs per ounce of $375. The decrease in gold production is due to the mining of lower grade material during the 2011 period which also negatively impacted the mill recovery and total cash costs per ounce.

Gold production for 2011 is expected to be approximately 183,500 ounces.

Construction of a new exploration ramp has been approved to explore the deeper D Zone at Goldex (approximately 150 metres below the GEZ Zone which is currently being mined). Total expenditure for the ramp and associated drilling is expected to be approximately $2 million in 2011, over and above the previously approved $6 million exploration budget for the mine.

> Recent drilling has continued to intersect the D Zone. These thick intersections suggest further expansion of this zone. The latest drill results are discussed in today's separate exploration press release.

43. Also on April 28, 2011, Agnico-Eagle issued a press release entitled, "Agnico-Eagle Announces Expanded Mineralization At Kittila, Goldex And Meliadine." The press release provided in pertinent part as follows:

> TORONTO, April 28 /CNW/ - **Agnico-Eagle Mines Limited** ("Agnico-Eagle" or the "Company") is pleased to provide an update on its 2011 exploration program to date, as well as the plans for its exploration activities for the rest of 2011.
>
> The Company's largest-ever exploration program of $145 million will include approximately 400 kilometres of drilling employing approximately 40 rigs. This dollar amount includes a major exploration-related infrastructure program of $27 million at Meliadine.
>
> During the first quarter of 2011, significant extensions of gold mineralization at Kittila, Goldex and Meliadine were discovered. At Kittila, mineralization has been extended at depth and north of the Roura zone. At Goldex, the latest deep drill holes indicate that D Zone mineralization extends well beyond the current resource envelope over large thicknesses, with grades similar to the current reserve grade. At Meliadine, drilling has continued to infill the Wesmeg zone and extended it westward.
>
> This year's exploration program is on track to achieve the 2011 goal of more than 22 million ounces of gold reserves, representing organic growth of at least 8%, net of production.
>
> **Highlights of the 2011 exploration program include:**
>
> - **Deepest High-grade Mineralization Found to Date at Kittila** - Hole ROU-10-037 returned 9.5 grams per tonne ("g/t") gold over 6.0 metres true width at 1,200 metres below surface approximately 150 metres below current reserve envelope
> - **Goldex's D Zone Growing Significantly** - Hole 76-014 intersected 192 metres (core length) grading 2.2 g/t gold approximately 150 metres below the current D Zone resources. New exploration ramp for D Zone will accelerate delineation of this growing deposit
> - **Mineralized Envelope Grows at Meliadine's Wesmeg Zone** - North and South Trends of Wesmeg indicate satellite open pit potential. Hole M-11-1014 yielded 8.2 g/t gold over 5.4 metres
> - **High-grade Intercepts at Depth and to the East of the Lapa Orebody** - goal is to extend mine life

"These latest exploration results show that several of our gold deposits extend beyond the currently known mineral resource and demonstrate the potential of our newly built mines to continue to grow" said Sean Boyd, Vice-Chairman and CEO. "These results also support the next phase of our program to build value at our mines through the acceleration of underground infrastructure so we can delineate of our growing gold deposits more quickly" added Mr. Boyd.

* * *

Goldex - Deep Exploration Suggests Extension of Mine's Life

The 100% owned Goldex mine in northwestern Quebec began operation in 2008. Proven and probable gold reserves total 1.6 million ounces from 27.8 million tonnes grading 1.8 g/t.

Systematic exploration at Goldex in 2010 started to define the large, promising D Zone. This zone is directly down-dip from the current mining operation extracting the GEZ orebody. The initial resources at the D Zone, to a depth of approximately 1,200 metres below surface, are contained in 14.4 million tonnes grading 1.62 g/t gold in the inferred category (or 746,000 ounces of gold), as of December 31, 2010.

The main objective in 2011 for the $6-million exploration program (58,200 metres) is to expand the D Zone. The results will be incorporated into a scoping study on the economics of mining this zone. The study is expected to be complete by the end of 2011.

Select results to the middle of April 2011 are shown in the table below, with the pierce points of drill holes shown on the longitudinal section for the Goldex mine.

Significant Goldex 2011 drill results

Drill Hole	Zone	Purpose	From (metres)	To (metres)	Core length* (metres)	Gold (g/t)
73-414	D	exploration	574.5	682.5	108.0	1.77
incl			574.5	628.5	54.0	2.00
76-011	D	exploration	480.0	645.0	165.0	1.64
incl			523.5	609.0	85.5	2.11
76-012	D	exploration	481.5	673.5	192.0	1.70
incl			492.0	592.5	100.5	2.03
76-013	D	exploration	511.5	751.5	240.0	2.47
incl			613.5	733.5	120.0	3.09
76-014	D	exploration	655.5	847.5	192.0	2.17
incl			655.5	753.0	97.5	3.07

Some of the deepest holes drilled to date on the property intersected grades higher than the average Goldex reserve grade over meaningful thicknesses. At a depth of 1,225 metres, hole 76-013 returned 240 metres of core length grading 2.47 g/t gold, including a higher grade portion of 120 metres grading 3.09 g/t gold. This is similar in thickness and higher grade than the orebody currently being mined. At 1,350 metres depth, approximately 150 metres below the current resources, hole

> 76-014 yielded 192 metres of core length grading 2.17 g/t gold, including 98 metres grading 3.07 g/t gold.
>
> The other holes reported in the table confirm the grades and thicknesses within the D zone resources. An example is hole 76-012, which yielded a core length of 192 metres grading 1.70 g/t gold, including a higher grade intercept of 100 metres grading 2.03 g/t gold.
>
> Based on the positive results to date, the Company has made a decision to accelerate the D Zone exploration program, constructing a 300 metre exploration ramp into the zone and adding an additional 12,000 metres of exploration drilling from this ramp. The additional cost over the original exploration budget at Goldex is expected to be a further $2.2 million in 2011. Successfully adding reserves in the D Zone would extend the mine life at Goldex.

44. On July 27, 2011, Agnico-Eagle issued a press release entitled, "Agnico-Eagle reports second quarter 2011 results; Provides exploration update on Goldex and Kittila; Announces strategic investment in Rubicon Minerals Corporation." The press release provided in pertinent part as follows:

> TORONTO, July 27, 2011 /CNW/ - **Agnico-Eagle Mines Limited** ("Agnico-Eagle" or the "Company") today reported quarterly net income of $68.8 million, or $0.41 per share for the second quarter of 2011. This result includes a non-cash foreign currency translation loss of $2.7 million, or $0.02 per share and stock option expense of $8.3 million, or $0.05 per share. Excluding these items would result in adjusted net income of $79.4 million, or $0.47 per share. In the second quarter of 2010, the Company reported net income of $100.4 million, or $0.64 per share.
>
> The lower net income in 2011 was largely due to a return to normal levels of tax expense and a foreign currency translation loss versus a large tax recovery and a large foreign currency translation gain in the second quarter of 2010.
>
> Second quarter 2011 cash provided by operating activities was $162.8 million ($161.7 million before changes in non-cash components of working capital), up from cash provided by operating activities of $161.6 million in the second quarter of 2010 ($138.9 million before changes in non-cash components of working capital).
>
> The higher cash provided by operating activities in 2011 was primarily due to a 25% higher realized gold price and significantly higher byproduct metal prices when compared to those realized in the second quarter of 2010.
>
> "With the installation of the permanent secondary crusher at Meadowbank, we have seen a significant improvement in our production rates. Steady state throughput is now allowing us to focus on cost cutting through optimization. The Company expects to

deliver a strong second half operationally, with gold production anticipated to increase approximately 20% over the first half of 2011", said Sean Boyd, Vice-Chairman and Chief Executive Officer. "Overall, our corporate strategy, which created significant value over the past five years, remains unchanged. Over the next several quarters, we expect to be able to lay out a new plan which will keep Agnico-Eagle at the forefront of growth in the gold industry. To that end, we have made a C$70 million strategic investment in Rubicon Minerals today, and also plan to enter into a technical services agreement to help advance their high grade Phoenix deposit in Red Lake, Ontario", added Mr. Boyd.

Second quarter 2011 highlights include:

- **Strong Cash Generation -** quarterly cash provided by operating activities of $163 million, or $0.96 per share
- **Record gold production at Pinos Altos** - 51, 066 ounces at $299 total cash costs per ounce
- **Secondary Crusher Operating at Meadowbank** - installation complete in June. Mill operating at approximately 9,250 tonnes per day in July
- **One of the Best Drillholes from Kittila's Rimpi Zone -** Hole RIE-11-008 returned 7.1 grams per tonne gold over 21.0 metres true width at 850 metres below surface, approximately 200 metres below the current resource envelope
- **Gold Mineralization Extended at Goldex's D Zone** - Intersection of 3.0 grams per tonne gold over 117.0 metres core length at 1,100 metres depth confirms similarity of D Zone to current Goldex orebody

Payable gold production in the second quarter of 2011 was 239,328 ounces compared to 257,728 ounces in the second quarter of 2010. A description of the production and cost performance for each mine is set out further below.

The lower level of production in the 2011 period was largely due to issues in April relating to the March 2011 fire at the Meadowbank mine and also due to higher than expected levels of dilution in its pit during the second quarter of 2011.

Total cash costs for the second quarter of 2011 were $565 per ounce. This compares with $482 per ounce in the second quarter of 2010. The higher cost in 2011 was largely attributable to the issues at Meadowbank that more than offset the positive impact of higher byproduct metals prices. Additionally, higher than expected costs have persisted at Kittila as two shutdowns for maintenance on the autoclave (one unplanned), higher fuel and electricity prices and high levels of labour expense (as the mine transitions from contractor to self mining), offset increased gold production.

For the first six months of 2011, the Company produced 491,690 ounces of gold at total cash costs per ounce of $548. This compares with the first half of 2010 when gold production was 445,960 ounces at total cash costs of $464 per ounce. The higher gold production in 2011 is mainly due to stronger performances from Kittila (much higher mill

recoveries following a process breakthrough) and Pinos Altos (much higher mill throughput following the installation of two more tailings filters). The higher total cash costs are largely a result of high costs at Meadowbank and Kittila, as previously discussed.

As announced in the June 27, 2011 news release, Agnico-Eagle expects production of approximately 1.08 million ounces of gold for the full year 2011 at total cash costs per ounce of approximately $495.

* * *

Goldex Mine - Low Cost Underground Mine

The 100% owned Goldex mine in northwestern Quebec began operation in 2008. Proven and probable gold reserves total 1.6 million ounces from 27.8 million tonnes grading 1.8 g/t.

The Goldex mill processed an average of 8,448 tpd in the second quarter of 2011. During the second quarter of 2010, the plant processed 7,327 tpd. The mill has now demonstrated that it can sustain approximately 8,000 tonnes per day following the installation of a permanent secondary crusher and additional tailings pump capacity in the first quarter of 2010.

Minesite costs per tonne at Goldex were approximately C$20 in the second quarter of 2011, lower than the C$24 incurred in the second quarter of 2010. These lower unit costs were largely related to the 15% higher throughput in the mill.

Payable gold production in the second quarter of 2011 was 41,998 ounces at total cash costs per ounce of $385. This compares to second quarter 2010 gold production of 48,334 ounces at total cash costs per ounce of $325. The decrease in gold production is due to the mining of lower grade material during the 2011 period which also negatively impacted the total cash costs per ounce. The higher total cash costs are largely due to the lower gold production.

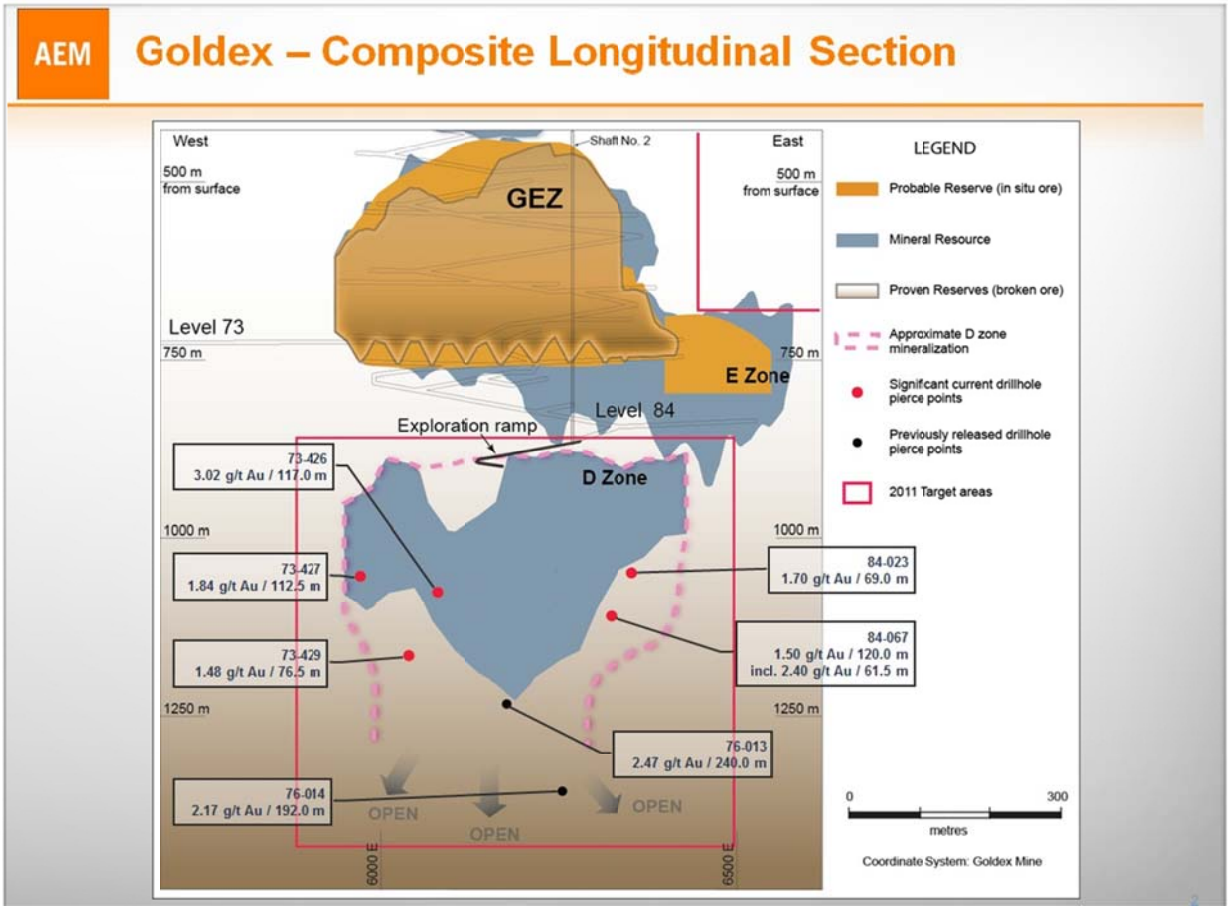
Grouting of a shear zone is underway to reduce the water inflow to the underground mine. This water flow has caused soil settlement issues at the minesite as previously saturated soils around the minesite are draining. However, flow rates have been controlled as remediation continues.

Goldex's D Zone Continues to Grow

Ongoing exploration at Goldex has resulted in significant success from the D Zone, the large mineralized body directly below the current mining operation. The initial gold

resource at the D Zone is 14.4 million tonnes grading 1.62 g/t in the inferred category (or 746,000 ounces of gold), as of December 31, 2010.

Incorporating recent results, the top of the D Zone is now approximately 840 metres below surface, and it has been traced to a depth of 1,350 metres below surface. The zone is estimated to be approximately 350 metres wide and between 60 metres and 120 metres thick, as shown on the linked Goldex longitudinal section.



The present dimensions and grade of the D Zone appear to be similar to the Goldex orebody.

The 2011 exploration program at Goldex includes a 300-metre exploration ramp and 12,000 metres of drilling from the ramp. Ramp construction began in April 2011 and should be completed by the end of this year. Drilling from the ramp is expected to begin in the third quarter.

Drilling in 2011 has located mineralization outside of the resource envelope and the deposit remains open at depth. Twenty-one holes (11,272 metres) were drilled in the D Zone during the second quarter.

* * *

> Several recent holes confirm the strong continuity of mineralization within the resource envelope. Hole 73-426 intersected 117.0 metres core length grading 3.0 g/t gold, which is one of the highest grade intercepts in the D Zone. Hole 73-427 intersected 112.5 metres grading 1.8 g/t gold at 1,056 metres below surface, showing broad mineralization up to the western limit of the zone.
>
> Three recent holes located thick mineralization outside of the current D Zone resource envelope, some with grades higher than those from past holes within the D Zone. Twenty-five metres east of the current resource, hole 84-067 had an intercept of 61.5 metres grading 2.4 g/t gold at 1,115 metres depth. Hole 73-429, 70 metres west of the current resource, at 1,170 metres depth returned 76.5 metres of core length grading 1.5 g/t gold. Holes 76-013 and 76-014, which were previously released, showed that the mineralization continues below the current resource envelope in thick widths and higher grade.
>
> The success of the exploration program to date has the potential to significantly increase the reserves and mine life at Goldex. The Company is considering extending the underground ramp beyond the currently planned 300 metres to provide additional drill platforms. The Company will also conduct a preliminary assessment during the second half of 2011 regarding the viability of mining the D Zone and to guide exploration in 2012.

D. <u>The Truth Slowly Comes to Light</u>

45. The first public signs of significant problems at Agnico-Eagle's Goldex Mine were disclosed on October 11, 2011. On this date, Agnico-Eagle issued a press release entitled, "Agnico-Eagle Provides Third Quarter Operating Update; Announces Expanded Assessment, Monitoring and Remediation Program at Goldex." The press release provided in pertinent part as follows:

> TORONTO, Oct. 11, 2011 /CNW/ - **Agnico-Eagle Mines Limited** ("Agnico-Eagle" or the "Company") is providing a quarter over quarter operating update in advance of the mailing of the bid circular relating to the proposed acquisition of Grayd Resource Corporation ("Grayd"). It is anticipated that the circular will be mailed to Grayd shareholders on October 13, 2011.
>
> Third quarter 2011 payable gold production totaled 265,978 ounces, an increase of approximately 11% over the second quarter 2011 level of 239,328 ounces. The higher level of production is largely due to improved performance at Kittila and Meadowbank. Cost data will be announced with the complete third quarter financial results on October 26, 2011. Further improvements in gold production and operating performance are anticipated in the fourth quarter of 2011.

For the first nine months of 2011, the Company produced a record 757,668 ounces of gold. This compares with the previous nine month record set in the first nine months of 2010 when gold production was 731,138 ounces. The higher gold production in 2011 is mainly due to higher mill throughput at Meadowbank, Pinos Altos, Kittila and Lapa.

* * *

Goldex Mine - Program Underway for Assessment, Monitoring and Remediation of Water Inflow and Subsidence Issue

The Goldex mill processed an average of 8,222 tonnes per day ("tpd") in the third quarter of 2011 as compared with 8,448 tpd in the second quarter of 2011. The mine and mill continue to run at capacity.

Gold production in the third quarter of 2011 was 40,224 ounces. This compares with the second quarter of 2011 when the payable gold production was 41,998 ounces. The decrease was largely due to the slightly lower throughput combined with slightly lower grades.

As previously announced, the grouting of a weaker, fractured, volcanic rock unit in the eastern end of the hanging wall of the deposit is underway. The purpose of the grouting program is to reduce the water inflow to the underground mine. This water flow has caused ground settlement issues at the mine site as previously saturated soils are draining into the mine and lowering the water table. To date, movement has been observed in the mill building and in the headframe. However, water flow rates have been controlled as remediation continues. The mine and processing facility continue to operate normally while remediation efforts are expanded.

While the Company's underground instrumentation shows that the volcanic rock mass above the Goldex ore body is stable, the Company has received an opinion from a rock mechanics consultant that suggests that water inflow has negatively impacted the integrity of the rock mass. As a result, the Company is undertaking further assessment of the stability of the rock mass and is increasing its efforts to decrease water inflow and the potential negative effects of the water on the rock mass. The Company's expanded grouting and monitoring program includes:

- Drilling from surface to investigate the area around the eastern end of the deposit for water flow and possible rock subsidence
- Drilling from underground into the volcanic rock unit to determine whether additional fracturing and movement in the rock mass has occurred
- Grouting with six larger drills. Targeting the rock between 80 metres and 100 metres below surface over an area at the eastern end of the deposit to stop or reduce the water inflow
- Installing additional instrumentation to monitor for any soil and rock movements

- Installing additional excess pumping capacity to ensure that increased water flows can be dealt with, should the need arise

> The program will be reassessed on a three month basis to determine whether additional remediation work or changes in the mining plan are warranted.
>
> The initial budget for remediation of this subsidence issue was C$20 million through 2011. As a result of the expanded program, the Company anticipates that 2011 expenditure will total approximately C$25 million.
>
> It is currently anticipated that the additional capital for monitoring and remediation will be approximately C$20 million in 2012.

46. Then, on October 19, 2011, Agnico-Eagle issued a press release entitled, "Agnico-Eagle's Goldex mine to suspend production during investigation and remediation of water inflow and ground stability issue; book value of Goldex to be written off." The press release provided in pertinent part as follows:

> TORONTO, Oct. 19, 2011 /CNW/ - **Agnico-Eagle Mines Limited** ("Agnico-Eagle" or the "Company") announced today that it is suspending mining operations and gold production at its Goldex mine in Val d'Or, Quebec effective immediately. This decision follows the receipt of an opinion from a second rock mechanics consulting firm which recommended that underground mining operations be halted until the situation is investigated further.
>
> While the Company continues to assess the situation, it appears that a weak volcanic rock unit in the hangingwall of the Goldex deposit has failed. This rock failure is thought to extend between the top of the deposit and surface. As a result, this structure has allowed ground water to flow into the mine. This water flow has likely contributed to further weakening and movement of the rock mass.
>
> "Considering the safety of the Company's employees, and the integrity of the mine's infrastructure and that of the surrounding area, the decision was made to stop production indefinitely" said Sean Boyd, Vice-Chairman and CEO.
>
> It is estimated that the mill will continue to process feed from the remaining surface stockpile until the end of October.
>
> The Company will assess the potential for restarting the mining operations next year on the western side of the deposit where the ore zone is narrower and still considered to be relatively stable, however, there is no guarantee that this will occur. As a result, Agnico-Eagle will write off its investment in Goldex. It is expected that this will total approximately $260 million (or approximately $170 million after tax, or $1.00 per share) and will occur in the third quarter 2011 financial results, scheduled for release on October

26. Additionally, the Company expects to make an accounting provision for a portion of the anticipated costs of remediation in the third quarter of 2011. All of the remaining 1.6 million ounces of proven and probable gold reserves[1] at Goldex (approximately 10 years of mine life), other than the ore stockpiled on surface, will be reclassified as mineral resources.

* * *

Monitoring and Remediation Plan

In the past week, rock subsidence has been confirmed above the north-eastern limit of the deposit. The exact location and extent of this subsidence is unknown and remains to be determined by diamond drilling and other methods. However, as a result of these findings, previously planned grouting and water re-injection efforts have been suspended and work will be reoriented to preserve the surface infrastructure in the area.

Ongoing investigative and remediation efforts include:

- Drilling from underground into the volcanic rock unit to determine whether additional fracturing has occurred and the extent of movement in the rock mass
- Installing additional instrumentation to monitor for further soil and rock movements
- Backfilling the surface depression to reduce the potential for further soil migration
- Considering backfilling and mining options for the deposit

Through the period of investigation and remediation, the Company anticipates that underground exploration drilling of the deeper D Zone will continue.

The Company is also implementing a plan to minimize the impact on the current workforce of 233 permanent employees during the investigation and remediation phase. The plan will include:

- Re-deployment of employees to the remediation and investigation project team
- Extensive maintenance programs of all mobile equipment not being used during the investigation and remediation phase
- Internal transfers within the Company's Canadian operations
- Employee training and skills upgrading programs to facilitate potential transfers to other Agnico-Eagle operations

During the investigation and remediation period, ongoing assessments of the workforce requirements will be made in collaboration with the employee representatives in order to try to reduce the number of employees that are impacted by this stoppage of operations at the Goldex mine.

> As announced on October 11, 2011, it is anticipated that approximately C$25 million will be spent in 2011, and a further C$20 million will be spent in 2012, on monitoring and remediation activities.

47. After issuing this press release, Agnico-Eagle held a business update conference call on October 19, 2011 to discuss the Goldex Mine announcement. During the conference call, Defendant Boyd provided the following explanation of the Company's decision to shut down the Goldex Mine:

> So, what has changed in the last sort of week to 10 days? Well, essentially, as we indicated, we had several experts including a second rock mechanics consultant that was on site last Thursday and as they reviewed information and began their analysis, they came to the conclusion quite quickly that there was instability in the rock mass as we indicated. No one is exactly sure where or what at this point, but their recommendation was to suspend mucking operations so that we could go into a period where we could gather more information by doing additional drilling and monitoring, just to find out exactly what's happening with that rock mass.
>
> We also had our grouting experts there and hydrology experts there and essentially they concurred that it would make a lot of sense to suspend the mucking so that we could do more assessment work and find out really what was happening within the rock mass. When we had all of that collective information coming at us last Thursday and Friday when our -- Ebe and the team were at site, it became apparent that we really had no other choice but to suspend the operations. And the question that the board had was is there a guarantee that we will be going back and extracting and mucking any of those 13 million tons. We can't say that we will be. So, as a result, as we indicated, we decided to take the accounting charge now and that was the appropriate thing to do.

48. In addition, Defendant Scherkus engaged in the following exchange concerning the chronology of the problems at the Goldex Mine:

> <Q - Anita Soni>: And then could you just give me a kind of a chronological history of exactly what happened in terms of [ph] repunching (16:48) the shear zone at this point? And then in subsequent two months this happened, and we had an expert coming and look at it at this point, like that kind of a timeline, that would be helpful.
>
> **<A - Eberhard W. Scherkus>**: Well, I would say the general timeline was about 18 months ago in March of 2010. We have one of the final blast on the eastern part of the Goldex Extension Zone, the eastern stope. And with that we had sloughing. And the sloughing was in granite and it was as pretty much as expected. However, what did happen is it continued to slough as we continued to muck. And that sloughing over time broke through into the volcanics into the hanging wall. And as a result of that, we started to get a slow infiltration of water

> and we have graphs where we monitored our pumping capacity and we saw a gradual increase of water.
>
> Now what the water also did was to washout any silt or dissolve any other minerals that may have been in there and all of a sudden the flow increased over time. So once the flow increased, we started getting a lower water table over the last, I would say, over the last year, 15 months. And then with that we remodeled it, like even as late as this May when we remodeled it, the answer we got back was that the rock mass was essentially stable. Then we continued to increase, have increased water inflow and we decided to and we've done a lot of additional drilling to try and grout it, to try and seal it. And we incorporated all this new drill hole information into the water plus the addition of water. And then the consultant came back in early October and basically said as a result of this new information, new parameters plus water, your rock mass now is inherently unstable and we have reason to believe that actually a block caving has been initiated in starting.
>
> So the only way to stop the propagation of block caving and having major caving up the surface would be to stop mucking and that the stope would fill itself and the situation would stabilize. So, we got that report in early October and it was a complete different report from the one that we had got earlier, last spring and then of course we were, I would say well, we are going to need a second opinion on this. And this is the same company that have done a lot of our work over the years at LaRonde. They've been involved at Goldex from day one. They are an international and a reputable firm. And we got a second opinion from a second international reputable firm and they concurred with their opinion. So – and that was concurred during the middle of last week. So, that's a bit of the – a bit of ...

49. After the Company's announcement of the closing of the Goldex Mine, Agnico-Eagle's stock price plunged 18.5% to close at $46.51 on October 19, 2011.

50. As a result of Defendants' materially false and misleading statements and omissions during the Class Period, Plaintiff and the Class have suffered millions of dollars in damages.

51. Agnico-Eagle's statements and filings during the Class Period were materially false and misleading because they failed to disclose and misrepresented that the Goldex Mine—one of the Company's most important sources of revenue as the Goldex Mine was responsible for 19% of Agnico-Eagle's entire gold production for 2010—was experiencing significant structural problems that would eventually require the closing of the mine in October 2011. As a

result of the foregoing, the Company's financial statements were false and misleading at all relevant times.

52. In addition to the false and misleading statements and omissions described in detail herein, Defendants also failed to disclose the truth regarding Agnico-Eagle's financial condition. Defendants failed to tell the public the true risks the Company was faced with, and failed to disclose that the Company was engaged in fraudulent and deceptive accounting practices. As a result, Agnico-Eagle's reported financial results were materially false and misleading at all relevant times.

V. UNDISCLOSED ADVERSE INFORMATION

53. The market for Agnico-Eagle's securities was an open, well-developed and efficient market at all relevant times. As a result of the materially false and misleading statements and failures to disclose described herein, Agnico-Eagle's securities traded at artificially inflated prices during the Class Period. Plaintiff and the other members of the Class purchased or otherwise acquired Agnico-Eagle's securities relying upon the integrity of the market price of Agnico-Eagle's securities and market information related to Agnico-Eagle, and have been damaged thereby.

54. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Agnico-Eagle's securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Such statements and omissions were materially false and misleading in that they failed to disclose material adverse non-public information and misrepresented the truth about the Company, as well as its business, accounting, and financial operations, as alleged herein.

55. At all relevant times, the material misrepresentations and omissions particularized herein directly or proximately caused or were a substantial contributing cause of the damages

sustained by Plaintiff and the other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and misleading statements about Agnico-Eagle's financial condition and accounting.

56. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Agnico-Eagle and its financial condition, thus causing the Company's stock to be overvalued and artificially inflated at all relevant times. Defendants' false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

VI. SCIENTER ALLEGATIONS

57. As alleged herein, the Individual Defendants acted with scienter in that Individual Defendants knew that the public documents and statements issued or disseminated in the name of the Company during the Class Period were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws.

58. As set forth herein, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Agnico-Eagle, their control over, receipt and/or modification of Agnico-Eagle's allegedly materially misleading statements and omissions, and/or their positions with the Company which made them privy to confidential information concerning Agnico-Eagle, participated in the fraudulent scheme alleged herein.

59. The ongoing fraudulent scheme described herein could not have been perpetrated over a substantial period of time, as has occurred, without the knowledge and complicity of the personnel at the highest level of the Company, including the Individual Defendants.

VII. STATUTORY SAFE HARBOR

60. The federal statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded herein. Furthermore, many of the statements pleaded herein were not identified as "forward-looking statements" when made, or indicated that actual results "could differ materially from those projected." Nor were there any meaningful cautionary statements identifying important factors that could cause actual results to differ materially from the statements made therein.

61. Defendants are liable for the statements pleaded because, at the time each of those statements was made, Defendants knew the statement was false and the statement was authorized and/or approved by an executive officer of Agnico-Eagle who knew that such statement was false when made.

VIII. LOSS CAUSATION

62. During the Class Period, as detailed herein, Defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the prices of Agnico-Eagle's securities and operated as a fraud or deceit on Class Period purchasers of Agnico-Eagle's securities by failing to disclose to investors that the Company's financial results were materially misleading and misrepresented material information. When Defendants' misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the prices of Agnico-Eagle's securities fell precipitously as the prior inflation came out of the Company's stock price. As a result of their purchases of Agnico-Eagle's securities during the Class Period, Plaintiff and the other Class members suffered economic loss.

63. By failing to disclose the true state of the Company's financial statements, investors were not aware of the true state of the Company's financial status. Therefore, Defendants presented a misleading picture of Agnico-Eagle's business practices and procedures.

Thus, instead of truthfully disclosing during the Class Period the true state of the Company's business, Defendants caused Agnico-Eagle to conceal the truth.

64. Defendants' false and misleading statements had the intended effect and caused Agnico-Eagle's common stock to trade at artificially inflated levels throughout the Class Period. The stock price drops discussed herein caused real economic loss to investors who purchased the Company's securities during the Class Period.

65. The decline in the price of Agnico-Eagle's common stock after the truth came to light was a direct result of the nature and extent of Defendants' fraud finally being revealed to investors and the market. The timing and magnitude of Agnico-Eagle's common stock price decline negates any inference that the loss suffered by Plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to the Defendants' fraudulent conduct. The economic loss suffered by Plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme to artificially inflate the prices of Agnico-Eagle's securities and the subsequent decline in the value of Agnico-Eagle's securities when Defendants' prior misrepresentations and other fraudulent conduct were revealed.

IX. APPLICABILITY OF PRESUMPTION OF RELIANCE: FRAUD ON THE MARKET DOCTRINE

66. At all relevant times, the market for Agnico-Eagle stock was an efficient market for the following reasons, among others:

a. Agnico-Eagle securities met the requirements for listing, and were listed and actively traded on the NYSE, a highly efficient market;

b. As a regulated issuer, Agnico-Eagle filed periodic public reports with the SEC and the NYSE;

c. Agnico-Eagle securities were followed by securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace; and

d. Agnico-Eagle regularly issued press releases which were carried by national newswires. Each of these releases was publicly available and entered the public marketplace.

67. As a result, the market for Agnico-Eagle securities promptly digested current information with respect to the Company from all publicly-available sources and reflected such information in Agnico-Eagle's stock price. Under these circumstances, all purchasers of Agnico-Eagle common stock during the Class Period suffered similar injury through their purchase of stock at artificially inflated prices and a presumption of reliance applies.

X. CLASS ACTION ALLEGATIONS

68. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of all persons who purchased or otherwise acquired Agnico-Eagle securities during the Class Period and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, members of the immediate family of each of the Individual Defendants, any subsidiary or affiliate of Agnico-Eagle and the directors, officers and employees of the Company or its subsidiaries or affiliates, or any entity in which any excluded person has a controlling interest, and the legal representatives, heirs, successors and assigns of any excluded person.

69. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are thousands of members of the Class located throughout the United States. Throughout the Class

Period, Agnico-Eagle securities were actively traded on the NYSE (an open and efficient market) under the symbol "AEM". As of December 31, 2010, the Company had approximately 168 million shares outstanding. Record owners and other members of the Class may be identified from records maintained by Agnico-Eagle and/or its transfer agents and may be notified of the pendency of this action by mail, using a form of notice similar to that customarily used in securities class actions.

70. Plaintiff's claims are typical of the claims of the other members of the Class as all members of the Class were similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

71. Plaintiff will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class and securities litigation.

72. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

a. whether the federal securities laws were violated by Defendants' acts and omissions as alleged herein;

b. whether Defendants participated in and pursued the common course of conduct complained of herein;

c. whether documents, press releases, and other statements disseminated to the investing public and the Company's shareholders during the Class Period misrepresented material facts about the business, finances, financial condition and prospects of Agnico-Eagle;

d. whether statements made by Defendants to the investing public during the Class Period misrepresented and/or omitted to disclose material facts about the business, finances, value, performance and prospects of Agnico-Eagle;

e. whether the market price of Agnico-Eagle common stock during the Class Period was artificially inflated due to the material misrepresentations and failures to correct the material misrepresentations complained of herein; and

f. the extent to which the members of the Class have sustained damages and the proper measure of damages.

73. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this suit as a class action.

XI. COUNTS AGAINST DEFENDANTS UNDER THE EXCHANGE ACT

COUNT I
For Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against Defendants

74. Plaintiff repeats and realleges the allegations set forth above as though fully set forth herein. This claim is asserted against Defendants.

75. During the Class Period, Agnico-Eagle and the Individual Defendants, and each of them, carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Agnico-Eagle common stock; and (iii) cause Plaintiff and other members of the Class to purchase Agnico-Eagle stock at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

76. These Defendants: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make

the statements not misleading; and (c) engaged in acts, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Agnico-Eagle securities in violation of §10(b) of the Exchange Act and Rule 10b-5. Defendants are sued as primary participants in the wrongful and illegal conduct charged herein. The Individual Defendants are also sued herein as controlling persons of Agnico-Eagle, as alleged herein.

77. In addition to the duties of full disclosure imposed on Defendants as a result of their making of affirmative statements and reports, or participation in the making of affirmative statements and reports to the investing public, they each had a duty to promptly disseminate truthful information that would be material to investors in compliance with the integrated disclosure provisions of the SEC as embodied in SEC Regulation S X (17 C.F.R. § 210.01 et seq.) and S-K (17 C.F.R. § 229.10 et seq.) and other SEC regulations, including accurate and truthful information with respect to the Company's operations, financial condition and performance so that the market prices of the Company's publicly traded securities would be based on truthful, complete and accurate information.

78. Agnico-Eagle and the Individual Defendants, individually and in concert, directly and indirectly, by the use of means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, business practices, performance, operations and future prospects of Agnico-Eagle as specified herein. These Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Agnico-Eagle's value and performance and substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Agnico-Eagle and its business,

operations and future prospects, in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of Agnico-Eagle's securities during the Class Period.

79. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) each of the Individual Defendants was a high-level executive and/or director at the Company during the Class Period; (ii) each of the Individual Defendants, by virtue of his responsibilities and activities as a senior executive officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's operational and financial projections and/or reports; (iii) the Individual Defendants enjoyed significant personal contact and familiarity with each other and were advised of and had access to other members of the Company's management team, internal reports, and other data and information about the Company's financial condition and performance at all relevant times; and (iv) the Individual Defendants were aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

80. These Defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were readily available to them. Such Defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Agnico-Eagle's operating condition, business practices and future business prospects from the investing public and supporting the artificially inflated price of its stock. As demonstrated by their overstatements and misstatements of the Company's financial condition and performance throughout the Class Period, the Individual Defendants, if they did not have actual knowledge of the

misrepresentations and omissions alleged, were severely reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

81. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Agnico-Eagle securities was artificially inflated during the Class Period. In ignorance of the fact that the market price of Agnico-Eagle shares was artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, upon the integrity of the market in which the securities trade, and/or on the absence of material adverse information that was known to or recklessly disregarded by Defendants but not disclosed in public statements by these Defendants during the Class Period, Plaintiff and the other members of the Class acquired Agnico-Eagle securities during the Class Period at artificially inflated high prices and were damaged thereby.

82. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known of the true performance, business practices, future prospects and intrinsic value of Agnico-Eagle, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired Agnico-Eagle securities during the Class Period, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

83. By virtue of the foregoing, Agnico-Eagle and the Individual Defendants each violated §10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

84. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

COUNT II
For Violations of Section 20(a) of the Exchange Act
Against the Individual Defendants

85. Plaintiff repeats and realleges the allegations set forth above as if set forth fully herein. This claim is asserted against the Individual Defendants.

86. The Individual Defendants were and acted as controlling persons of Agnico-Eagle within the meaning of §20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions with the Company, participation in and/or awareness of the Company's operations and/or intimate knowledge of the Company's actual performance, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Each of the Individual Defendants was provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

87. In addition, each of the Individual Defendants had direct involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

88. As set forth above, Agnico-Eagle and the Individual Defendants each violated §10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their controlling positions, the Individual Defendants are liable pursuant to §20(a) of the

Exchange Act. As a direct and proximate result of these Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

XII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of the Class, prays for judgment as follows:

a) Declaring this action to be a class action pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the Class defined herein;

b) Awarding Plaintiff and the other members of the Class damages in an amount which may be proven at trial, together with interest thereon;

c) Awarding Plaintiff and the members of the Class pre-judgment and post-judgment interest, as well as their reasonable attorneys' and experts' witness fees and other costs; and

d) Awarding such other relief as this Court deems appropriate.

XIII. JURY DEMAND

Plaintiff demands a trial by jury.

Dated: November 7, 2011

LAW OFFICES OF
CURTIS V. TRINKO, LLP

By: Curtis V. Trinko

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Attorneys for Plaintiff

CERTIFICATION OF PLAINTIFF

I, Jerome Stone, certify that:

1. I have reviewed a complaint and I authorize Saxena White P.A. to act on my behalf in this matter in applying for Lead Plaintiff status or for filing as a named plaintiff, and for all other purposes in connection with this litigation.
2. I did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. I am willing to serve as a Lead Plaintiff or class representative, either individually or as part of a group. I understand that a Lead Plaintiff is a representative party who acts on behalf of other class members in directing the action, and whose duties may include providing testimony at deposition and trial, if necessary.
4. I represent and warrant that I am authorized to execute this Certification on behalf of the purchasers of the subject securities described herein (including, as the case may be, myself, any co-owners, any corporations or other entities, and/or any beneficial owners).
5. I will not accept any payments for serving as a representative party on behalf of the class beyond the purchaser's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.
6. I understand that this is not a claim form, and that my ability to share in any recovery as a member of the class is unaffected by my decision to serve as a representative party or Lead Plaintiff.
7. I have listed below all my transactions in the securities of Agnico-Eagle Mines Ltd. during the Class Period as follows:

Type of Security (Common stock, ,Preferred Stock, Calls, Puts or Bonds)	**Purchase/Acquisition** or **Sale/Disposition**	**Quantity**	**Trade Date** (mm/dd/yy)	**Price per Share/Security** ($)
Common Stock	Purchase	200 shares	02/15/11	$45.53

(* List additional transactions on separate sheet, if necessary)

These securities were acquired or held in (check all that apply):

☒ General (non-retirement account) ☐ Merger/acquisition/distribution ☐ Gift
☐ IRA ☐ Employer-sponsored plan (401k, 403b, etc.)

8. During the three years prior to the date of this Certification, I have not sought to serve and I have not served as a representative party for a class in an action filed under the federal securities laws except as described below (if any):

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate.

Executed this 29th day of OCTOBER, 2011

Jerome Stone JEROME STONE
Name (print)

Jerome Stone
Signature